



U.S. Department of Justice

*United States Attorney
Southern District of New York*

*The Silvio J. Mollo Building
One Saint Andrew's Plaza
New York, New York 10007*

August 31, 2020

BY ECF/EMAIL

The Honorable Edgardo Ramos
United States District Judge
Southern District of New York
500 Pearl Street
New York, New York 10007

Re: *United States v. Mark S. Scott*, S10 17 Cr. 630 (ER)

Dear Judge Ramos:

The Government respectfully submits this memorandum pursuant to Rule 32.2 of the Federal Rules of Criminal Procedure in support of its application for a preliminary order of forfeiture (the "Preliminary Order of Forfeiture," attached hereto as Exhibit 1) imposing a forfeiture money judgment in the amount of \$392,940,000 as part of the sentence of defendant Mark S. Scott. As part of the Preliminary Order of Forfeiture, the Government seeks to forfeit Scott's interest in certain bank accounts, which constitute property involved in the money laundering offense Scott was convicted of at trial, and certain specific property and assets that are traceable to such property. For the reasons set forth below, the Court should impose the proposed Preliminary Order of Forfeiture, and also enter a post-conviction restraining order against Scott in order to ensure availability of those additional assets for forfeiture.

I. Procedural History

Superseding Indictment, S10 17 Cr. 630 (ER) (the "Indictment") charges Scott with conspiracy to commit money laundering in violation of Title 18, United States Code, Section 1956(h), and conspiracy to commit bank fraud in violation of Title 18, United States Code, Section 1349. The Indictment also contains the following forfeiture allegations: (i) as a result of committing the money laundering conspiracy offense charged in Count One, Scott shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(1), any and all property, real and personal, involved in said offense, or any property traceable to such property, including but not limited to a sum of money in United States currency representing the amount of property involved in said offense; and (ii) as a result of committing the bank fraud offense charged in Count Two, Scott shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(2)(A), any and all property constituting and derived from any proceeds that the defendant obtained directly or indirectly as a result of the bank fraud conspiracy. The Indictment also contains a substitute asset provision pursuant to 18 U.S.C. § 982, 21 U.S.C. § 853, and 28 U.S.C. § 2461.

On or about February 22, 2019, the Government filed a forfeiture bill of particulars (the “Bill of Particulars”), giving notice that certain property was subject to forfeiture as a result of the offense described in Count One of the Superseding Indictment, and as alleged in the forfeiture allegation therein.¹ The Bill of Particulars is attached hereto as Exhibit 2. On or about April 18, 2019, the Government obtained a restraining order for the following bank accounts: “a. All monies and funds contained in RBC Private Counsel (USA) Inc. account 3752442214, held by Mark S. Scott 2017 Trust . . . and all funds traceable thereto, including accrued interest; and b. All monies and funds contained in RBC Private Counsel (USA) Inc. account 3756283317, held by Mark S. Scott 2017 Trust . . . and all funds traceable thereto, including accrued interest.” (April 18, 2019 Restraining Order, attached hereto as Exhibit 3). On or about July 15, 2019, the Government obtained another restraining order for the following bank account: “All monies and funds contained in J.P. Morgan Chase attorney IOLA trust account 339656032, held by James Nobles Esq. P.C. . . . and all funds traceable thereto, including accrued interest. (July 15, 2019 Order, attached hereto as Exhibit 4). The funds in these three bank accounts were alleged to constitute funds and criminal proceeds property involved in conspiracy to commit money laundering, in violation of Section 1956(h).

On November 21, 2019, the defendant was convicted at trial of Counts One and Two of the Indictment. The defendant did not seek a finding by the jury as to forfeiture. Sentencing is scheduled for October 9, 2020.

II. Scott’s Laundering of OneCoin Scheme Proceeds

As the evidence showed at trial, from at least in or about September 2015 through 2018, the defendant conspired with Ruja Ignatova, and others, to launder approximately \$392,940,000 in proceeds of a wire fraud scheme involving a purported cryptocurrency known as OneCoin (the “OneCoin Scheme”). Ignatova was one of the co-founders of OneCoin. Scott—a U.S. citizen and attorney, employed for a portion of the relevant time period as a partner at an international law firm—organized and operated a series of investment funds known as the “Fenero Funds,” which he used for the purpose of laundering OneCoin fraud proceeds.

As shown throughout trial, and in the attached affidavit of Senior Financial Intelligence Analyst Rosalind October (the “October Affidavit,” attached hereto as Exhibit 5)², Scott used an international network of bank accounts, including the Subject Accounts, to launder approximately \$392,940,000 in proceeds from the OneCoin Scheme on behalf of Ignatova. Specifically, after Scott was introduced to Ignatova in September 2015, Scott began to set up a series of fake investment funds over the next several months. Among other things, Scott incorporated MSS International Consultants (BVI), Ltd. (“MSSI LTD”), which was a fund manager registered in the British Virgin Islands. (GX 2701). MSSI LTD in turn owned and operated a series of fake investment funds, which were used to launder proceeds from the OneCoin Scheme, including the following purported investment funds: Fenero Equity Investments L.P. (“Fenero”), Fenero Equity

¹ At the time the Government filed the Bill of Particulars, the defendant was charged in the S6 17 Cr. 630 (ER) superseding indictment with one Count of conspiracy to commit money laundering.

² The Government Exhibits from trial referenced in this motion and in the October Affidavit are attached hereto as Exhibit 6.

Investments II, L.P. (“Fenero II”), and Fenero Financial Switzerland L.P. (“Fenero Switzerland”), each of which was an approved fund regulated in the British Virgin Islands. (*Id.*). MSSI LTD also owned and operated Fenero Equity Investments (Cayman) I, L.P. (“Fenero Cayman”), an investment fund organized in the Cayman Islands (together with the British Virgin Islands Fenero funds, the “Fenero Funds”). (*Id.*).

Scott operated offshore bank accounts in the Cayman Islands for each of the Fenero Funds (the “Fenero Fund Accounts”). (GX 2701). The Fenero and Fenero Switzerland accounts were held at DMS Cayman bank, and the Fenero Cayman and Fenero II accounts were held at Deutsche Bank Cayman. (*Id.*).

After Scott opened bank accounts in the names of each of the Fenero Funds, between May 2016 and October 2016, the Fenero Fund Accounts collectively received wire transfers totaling approximately €364 million and \$10 million, which Scott represented as investments into the Fenero Funds. (GX 2602-A). These wire transfers originated from approximately 10 different bank accounts held at banks located in Singapore, Germany, Hong Kong, the United Kingdom, and the United States. (*Id.*). These bank accounts were registered under a set of shell corporations, including a set of affiliated companies with variations of the name International Marketing Services (“IMS”), as well as B&N Consult Ltd. (“B&N”), Star Merchant, and Fates Group. (*Id.*). IMS was owned by co-conspirator Frank Ricketts; B&N was owned by co-conspirator Irina Dilkinska; and Fates Group was owned by co-conspirator Gilbert Armenta.

As the evidence showed at trial, while IMS, B&N, and Fates Group were “investors” into the Fenero Funds on paper, all of the money being transferred into Scott’s funds in fact belonged to Ruja Ignatova and was derived from the OneCoin Scheme. (GX 1434). After the Fenero Funds received the above-described deposits, between approximately May 2016 and July 2018, the Fenero Fund Accounts funded approximately €282,000,000 in wire transfers to a series of Fenero Fund bank accounts held at the Bank of Ireland in the Republic of Ireland. (GX 2603, 2627). Scott also transferred tens of millions of Euros back to Bulgaria from the Fenero Funds, disguised as fake loans. (*See, e.g.*, GX 1388). Scott subsequently transferred approximately €185,000,000 from the Bank of Ireland to the accounts of another one of Ruja’s money launderer’s, named Aamer Abdulaziz. (GX 2627; Tr. 276).

As part of the money laundering scheme, Scott also transferred in excess of \$50 million in proceeds of the OneCoin Scheme to other bank accounts on his behalf, and to fund the purchase of several houses, several luxury cars, a yacht, and numerous purchases of luxury jewelry and other personal property. (GX 2628; Tr. 294). Scott’s purchases made with OneCoin fraud proceeds included, among others: a \$2,850,000 home located at 133 Sunset Lane, Barnstable, MA; a \$3,765,000 residence located at 31 Dale Avenue, Hyannis Port, MA (the “31 Dale Property”); an ownership interest in another residence located at 105 Sunset Lane, Barnstable, MA; a \$245,269 Ferrari; a \$218,898 2018 Porsche 911 GTRS2; a \$119,529 2017 Porsche 911 Turbo; a \$332,248 2016 Porsche 911R (the “2016 Porsche”); a \$1,310,000 Sunseeker yacht; over a hundred thousand dollars in luxury watches; and over two hundred thousand dollars in jewelry and luxury bags. (GX 2620). Scott also used OneCoin Scheme proceeds to pay off over \$1,000,000 for a condo that he owned in Coral Gables, FL.

III. Applicable Law

A. Directly Forfeitable Assets

Criminal forfeiture is “an aspect of sentencing.” *Libretti v. United States*, 516 U.S. 29, 49 (1995). Under Rule 32.2 of the Federal Rules of Criminal Procedure, once a criminal defendant is convicted of the offenses giving rise to the forfeiture allegations in an indictment, the district court must determine what property is subject to forfeiture and, if appropriate, enter a preliminary order of forfeiture “[a]s soon as practical after a verdict.” Fed. R. Crim. P. 32.2(b). As an aspect of sentencing, criminal forfeiture is governed by the preponderance of the evidence standard. *United States v. Bellomo*, 176 F.3d 580, 595 (2d Cir. 1999). Accordingly, the Government must prove by a preponderance of the evidence the amount of proceeds underlying the proposed personal money judgment, and the forfeitability of the specific properties listed in the Preliminary Order of Forfeiture.

Title 18, United States Code, Section 982(a)(1), subjects to forfeiture “any property, real or personal, involved in [a violation of 18 U.S.C. § 1956], or any property traceable to such property.” Property “involved in” a money laundering offense includes not only the illegal proceeds themselves, but also any property used to facilitate the laundering of such proceeds, such as business, business premises, untainted funds comingled with criminal proceeds, and bank accounts of corrupt businesses. *See United States v. All Assets of G.P.S. Auto. Corp.*, 66 F.3d 483, 486 (2d Cir. 1995) (affirming forfeiture of all assets of corporation that “served as a conduit for the proceeds of the illegal transactions”); *United States v. Schlesinger*, 261 F. App’x 355, 361 (2d Cir. 2008) (summary order) (same); *In re 650 Fifth Ave.*, 777 F. Supp. 2d 529, 567 (S.D.N.Y. 2011) (“The ability to forfeit a business entity which is used to facilitate the offense of money laundering is well established.” (internal quotation marks omitted)); *United States v. Certain Funds on Deposit in Account No. 01-0-71417, Located at the Bank of New York*, 769 F. Supp. 80, 84 (E.D.N.Y. 1991) (“[18 U.S.C. § 981(a)(1)(A)] has been construed by the district courts as authorizing the forfeiture of an entire bank account or business which was used to ‘facilitate’ the laundering of money in violation of 18 U.S.C. § 1956.” (citing cases)).

For money laundering charges, such as Count One of the Indictment, the Government may seek a money judgment up to the full value of the funds laundered by the defendant. *United States v. Bermudez*, 413 F.3d 304, 305-306 (2d Cir. 2005). Significantly, the scope of this forfeiture liability is specifically authorized by statute, and is not based on joint and several liability. In imposing sentence on a person convicted of an offense in violation of Title 18, United States Code, Section 1956, the Court “shall order that the person forfeit to the United States any property, real or personal, involved in such offense, or any property traceable to such property.” *Id.* at 306, 18 U.S.C. § 982. Property “involved in” a money laundering offense very clearly constitutes at least the actual funds laundered. *See In re 650 Fifth Ave and Related Props.*, 777 F. Supp. 2d 529, 570 (S.D.N.Y. 2011). Furthermore, Section 982(b)(2) expressly states that defendant intermediaries who did not retain the funds laundered are nevertheless liable for forfeiture of substitute assets up to the full amount of the laundered property, provided that the defendant “conducted three or more separate transactions involving a total of \$100,000 or more in any twelve month period.” 18 U.S.C. § 982(b)(2). In short, a money laundering defendant like Scot—who laundered approximately \$392,940,000 through numerous transactions within a twelve-month period that exceeded

\$100,000—“must forfeit substitute assets up to the amount laundered, even if he merely handled the laundered property—*i.e.*, even if he never retained those funds.” *Bermudez*, 413 F.3d at 306.

Finally, a money judgment is appropriate even if the defendant did not retain the proceeds of his crime or does not have the resources to pay the money judgment. *See, e.g., Awad*, 598 F.3d at 78 (in a drug case, holding that the applicable forfeiture provision “permits imposition of a money judgment on a defendant who possesses no assets at the time of sentencing”); *United States v. Kalish*, 626 F.3d 165, 168 (2d Cir. 2010) (affirming the propriety of *in personam* money judgments arising under 21 U.S.C. § 853 by way of 21 U.S.C. § 2461(c) in wire and mail fraud case); *United States v. Vampire Nation*, 451 F.3d 189, 201-02 (3d Cir. 2006) (forfeiture judgment may be entered for the full amount of criminal proceeds, even if the defendant is unable to satisfy the judgment at the time of sentencing; otherwise, defendants would be able to “dissipate those proceeds and avoid liability for the ill gotten gains”); *United States v. Hall*, 434 F.3d 42, 59 (1st Cir. 2006) (district court may order the defendant to forfeit a sum of money equal to the drug proceeds that he earned but did not retain).

B. Substitute Assets

To the extent the defendant is no longer in possession of the laundered funds, the Government is entitled to the collection of substitute assets up to the amount of the funds laundered, and equal to the \$392,940,000 money judgment sought by the Government. Pursuant to 21 U.S.C. §§ 853(p)(1)(A) and (B), as relevant here, forfeiture of substitute assets is authorized where, as a result of act of the defendant’s, *either* the funds cannot be located upon the exercise of due diligence *or* the property has been “transferred or sold to, or deposited with, a third party[.]” As the trial evidence made clear, a substantial portion of the funds laundered by Scott were subsequently sent by Scott to third parties on behalf of Ruja Ignatova, (*see, e.g.,* GX 2627; PSR ¶ 34), thereby satisfying the statutory requirements of Section 853(p)(1)(B). Therefore, on the basis of Section 853(p)(1)(B) alone, this Court is authorized to order forfeiture of substitute assets from the defendant. *See, e.g., Honeycutt*, 137 S. Ct. at 1634 (“Only if the Government can prove that *one* of these five conditions was caused by the defendant may it seize ‘any property of the defendant up to the value of’ the tainted property”) (emphasis supplied).

C. Post-Conviction Restraint

The All-Writs Act, Title 28, United States Code, Section 1651, provides that “[t]he Supreme Court and all courts established by Act of Congress may issue all writs necessary or appropriate in aid of their respective jurisdictions and agreeable to the usages and principles of law.” 28 U.S.C. § 1651(a). Further, “‘there is a strong governmental interest in obtaining full recovery of all forfeitable assets.’” *Kaley v. United States*, 571 U.S. 320, 323 (2014) (quoting *Caplin & Drysdale, Chartered v. United States*, 491 U.S. 617, 631 (1989)). Accordingly, Courts in this Circuit have relied on the All-Writs Act to restrain assets pending sentencing in order to preserve those assets for forfeiture or restitution. In *United States v. Numisgroup Int’l Corp.*, the Court relied on the All-Writs Act to continue post-conviction, pre-sentencing restraint of substitute asset coins to ensure availability for restitution or forfeiture. 169 F. Supp. 2d 133, 137-38 (E.D.N.Y. 2001). “‘There is no logic to the position that the Court is powerless to enter a restraining order after a jury has found a defendant guilty of participating in a large-scale fraud simply because sentencing has been delayed so that a pre-sentence report may be prepared.’” *Id.*

at 138 (quoting *United States v. Ross*, No. 92 CR 1001 (JSM), 1993 WL 427415, at *1 (S.D.N.Y. Oct. 15, 1993)). Other courts have similarly ordered restraints on substitute assets post-conviction in order to ensure availability of those substitute assets for forfeiture. *See, e.g., United States v. Swenson*, 1:13-CR-91-BLW, 2014 WL 2506300, *2-4 (D. Idaho June 3, 2014); *United States v. Kilbride*, No. 05 Cr. 870 (PHX-DGC), 2007 WL 2990116, at *2 (D. Ariz. Oct. 11, 2007); *United States v. Wahlen*, 459 F. Supp. 2d 800, 803 (E.D. Wis. 2006).

IV. Discussion

A. Scott Must Forfeit the Full \$392,940,000 That He Laundered

At trial, the Government clearly established that Scott set up and used the Fenero Funds to launder approximately \$392,940,000 in OneCoin Scheme proceeds on behalf of Ruja Ignatova. (PSR ¶¶ 33 and 34). As shown at trial (*see, e.g.,* GX 2602), and in the October Affidavit, all of those funds that Scott laundered were derived from the OneCoin Scheme. (*See* October Affidavit ¶ 5). Scott must forfeit the full value of the funds he laundered, i.e., \$392,940,000. *See United States v. Bermudez*, 413 F.3d at 306; 19 U.S.C. § 982(a)(1). The Court should accordingly enter the Government's proposed Money Judgment in that amount.

B. The Subject Accounts Were Involved in the Money Laundering Offense And Are Subject to Forfeiture

As shown at trial, and as described above and in the October Affidavit, throughout the money laundering scheme, Scott used an elaborate series of financial transactions (sometimes referred to as “layering”), including fake “investments” into the Fenero Funds, purported “loans” that were in fact never repaid, and transfers through numerous bank accounts (including attorney trust accounts), to hide the source of money that funded transfers to third parties on behalf of Ignatova and also directly funded Scott's purchases of real property, cars, and other luxury items. As shown throughout the October Affidavit and in the accompanying charts, many of these transactions were conducted through Scott's direct use of the Subject Accounts. Approximately \$34,501,366.3 of the funds from the money laundering scheme remain in the Subject Accounts. As shown at trial, these transactions conducted by Scott were designed to conceal the source of the funds (*i.e.,* the OneCoin Scheme) and the ownership and control of those funds (*i.e.,* Ignatova). Scott's direct use of the Subject Accounts to launder the criminal proceeds from the OneCoin Scheme was indispensable to the money laundering conspiracy. Without Scott's use of these accounts to layer the funds and obfuscate the origin of the funds, there could not have been a successful money laundering operation. The Subject Accounts are accordingly subject to forfeiture under 18 U.S.C. § 982 as property that was involved in the charged money laundering offense that Scott was convicted of at trial.³

³ The Government is not seeking forfeiture of the 9788 Iberia Account which is an attorney trust account in the name of Nicole Huesmann. Because that account is an attorney trust account in the name of a third party, forfeiture of the entire 9788 Iberia Account could result in the forfeiture of the funds of third parties who have nothing to do with this prosecution (*i.e.,* other clients of Ms. Huesmann). However, by only seizing the amount of the check provided by Huesmann to the

In addition, as detailed throughout the October Affidavit, the funds in the Subject Accounts as well as all of the Specific Property are directly traceable to funds involved in the money laundering offense and are therefore also subject to forfeiture under 18 U.S.C. § 982(a)(1). Specifically, as shown in the October Affidavit and in the accompanying exhibits, all of funds that were transferred into the Subject Accounts originated from the OneCoin Scheme and were laundered by Scott. Furthermore, all of the Specific Property that is set forth in Appendix A was purchased with funds that originated from the OneCoin Scheme and were laundered by Scott. In other words, all of the specific property in Appendix A is either involved in the money laundering offense or “property traceable to” such property, and is therefore subject to forfeiture under 18 U.S.C. § 982(a)(1).

C. Any Remaining Funds And Property Belonging To Scott Are Subject To Forfeiture As Substitute Assets

As shown at trial, Scott transferred a substantial portion of the funds that he laundered through the Fenero Funds to a number of third parties, many of which held foreign bank accounts. (*See, e.g.*, GX 2627). For example, Scott sent over €190 million to third parties in the United Arab Emirates, over €65 million to third parties in Bulgaria, and approximately \$30 million to a third party in Hong Kong. (*Id.*). The Government is accordingly entitled to substitute assets in this case. *See* 21 U.S.C. §§ 853(p)(1)(A) and (B) (forfeiture of substitute assets is authorized where either the funds cannot be located upon the exercise of due diligence or the property has been “transferred or sold to, or deposited with, a third party[.]”). The Government is presently aware of the specific substitute assets listed below and in Appendix B which should be forfeited here. Notably, given that the appropriate amount of forfeiture is \$392,940,000, there is no risk that by forfeiting the specific assets listed below the total amount of funds forfeited will exceed the amount that Scott is obligated to forfeit under the proposed Money Judgment. In other words, even if the Court were to order that Scott forfeit the funds in the Subject Accounts, the Specific Property, and the specific substitute assets listed below, Scott would still owe an additional sum of *hundreds of millions of dollars* before he would satisfy the proposed Money Judgment. The Government accordingly seeks the forfeiture of the following specific property as substitute assets, all of which are held at bank accounts at UBS bank:

Account Name	Financial Institution	Account No.	Estimated Balance
Mark S. Scott 2017 Trust	UBS	PW XXX53 (converted to Account No. 1X B0014 YA)	\$102,857.62
Mark S. Scott 2017 Trust	UBS	PW XXX31 (converted to Account No. 1X B0031 YA)	\$2,006,086.28
Mark S. Scott College Fund 529	UBS	Account No. PW B4734 03	\$160,834.00

Government, which represents the remaining funds Huesmann possesses on behalf of Scott, this risk will be eliminated.

Mark S. Scott	UBS	Account No. PW A5494 03	\$236,750.81
		Total	\$2,506,528.71

In addition to the funds in the chart listed above, the Government seeks the forfeiture of all of the items that were seized from Scott on the day of his arrest, which include, among other things, several luxury bags. All of those items are listed on Appendix B to this motion, and in the proposed Preliminary Order of Forfeiture.

Finally, even if the Court were to conclude that any of the Subject Accounts or the Subject Property are not subject to forfeiture pursuant to 18 U.S.C. § 982(a)(1), the Subject Accounts and the Subject Property would still alternatively be subject to forfeiture under 21 U.S.C. §§ 853(p)(1)(A) and (B).⁴

D. The Court Should Enter a Post-Conviction Restraining Order Against Scott

The evidence introduced at trial and set forth in the October Affidavit prove that the defendant diverted and dissipated the proceeds of the scheme charged in the Indictment through a multitude of banks accounts in the name of shell companies and other entities that the defendant controlled. The proceeds were dissipated in a complex series of transactions substantially for the benefit of Scott and his co-conspirators, including Ruja Ignatova, that were designed to avoid detection. As the October Affidavit makes clear, only a small portion of the nearly \$400 million in funds laundered by Scott have been identified and seized or restrained.

Moreover, based upon the Government's investigation to date, the defendant has continued to dissipate proceeds of the offenses of conviction, notwithstanding a Post-Indictment Restraining

⁴ Moreover, the evidence presented at trial clearly established proceeds of at least \$40 million stemming from the bank fraud offense charged in Count Two. As the testimony and exhibits admitted at trial proved, in July 2016, Scott transferred \$30 million of OneCoin-derived funds from a Fenero account held at DMS Bank in the Cayman Islands—through a U.S. dollar correspondent bank account at Bank of New York Mellon in New York, NY (“BNYM”)—to an account held by Barta Holdings at DBS Bank in Hong Kong. In connection with that transaction, Scott caused false wire remittance information to be provided to BNYM indicating that the funds represented a “loan for Cryptoreal.” (Tr. 1474-77). In June and September 2016, Scott and Gilbert Armenta also arranged for the transfer of a total of \$10 million of OneCoin-derived funds from U.S. bank accounts controlled by Armenta to a Fenero bank account held at Deutsche Bank in the Cayman Islands (Tr. 840-61; 908-17). As part of the broader phony investment fund scheme operated by Scott, and consistent with a Fenero investment agreement that Scott had Armenta execute (GX 1140), these transfers were falsely described to the originating U.S. banks, for example, as investments into “ZIIXI” and “XIII” (Tr. 844), and Fenero itself was falsely described as a private equity firm that invested in, among other things, renewable energy, such as windmills (Tr. 859-860).

Order applicable to “property or other interests . . . subject to forfeiture,”⁵ various seizure warrants, and a forfeiture bill of particulars. As detailed at length in the Government’s letter seeking the defendant’s remand, dated March 11, 2020: (1) *before* trial, (a) in or about June 2019, the defendant sold a Porsche that he bought with OneCoin victim money and that he knew was subject to seizure and forfeiture, and used the \$250,000 in sale proceeds for himself; and (b) in or about August 2019, the defendant took out a \$500,000 personal loan from his bond suretor based on the false promise that he would repay that loan within six months, which he failed to do; and (2) *after* trial, in or about December 2019, the defendant offered to mortgage two properties that he bought using OneCoin victim money (as proven at trial) and that he knew were subject to forfeiture in this case, and he actually mortgaged one of those two properties. (*See* Doc. No. 317). In addition, as described in paragraph 7(h) of the October Affidavit, in or about June 2018, Scott purchased a 2018 Porsche 911 GTRS2 using OneCoin proceeds. The Government recently obtained evidence demonstrating that Scott sold that vehicle—which was parked in the driveway at his residence in Massachusetts when he was arrested—in or about January 2019, approximately four months after his arrest, for \$192,000.⁶

Based upon the foregoing, there is reason to believe that the defendant has dissipated and will continue dissipating both criminal proceeds and substitute assets, which will frustrate the forfeiture of those assets. The Government therefore requests that Court enter a post-conviction order restraining Scott’s assets until the Court determines whether the those assets are properly forfeited to the United States pursuant to Section 853(p) and Rule 32.2(e) of the Federal Rules of Criminal Procedure. *See, e.g., Swenson*, 2014 WL 2506300 at *2-4; *Kilbride*, 2007 WL 2990116, at *2; *Wahlen*, 459 F. Supp. 2d at 803 (E.D. Wis. 2006); *Numisgroup Int’l Corp.*, 169 F. Supp. 2d at 139. A proposed Post-Conviction Restraining Order is attached hereto as Exhibit 8.

⁵ That Restraining Order, attached hereto as Exhibit 7, was signed by Judge Broderick on September 4, 2018, and was produced to the defendant on or about September 21, 2018, stamped with control numbers MS_USAO_00000036 through MS_USAO_00000038.

⁶ The Government will provide to the Court records evidencing this sale in the event that the defendant disputes that this sale took place. Those records were recently produced by the Government to the defendant.

EXHIBIT 1

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X	:	
UNITED STATES OF AMERICA	:	
-v-	:	PRELIMINARY ORDER OF
	:	FORFEITURE AS TO SPECIFIC
MARK S. SCOTT,	:	<u>PROPERTY AND SUBSTITUTE</u>
	:	<u>ASSETS/ MONEY JUDGMENT</u>
	:	S10 17 Cr. 630 (ER)
	:	
Defendant.	:	
-----X	:	

WHEREAS on or about October 8, 2019, the defendant Mark S. Scott (the “Defendant”) was charged in a two-count Superseding Indictment (the “Indictment”), with knowingly and willfully committing money laundering, in violation of Title 18, United States Code, Section 1956(h) (Count One), and conspiracy to commit bank fraud, in violation of Title 18, United States Code, Section 1349 (Count Two) (Dkt. No. 143);

WHEREAS, the Indictment included a forfeiture allegation as to Count One of the Indictment, seeking forfeiture to the Government, pursuant to Title 18, United States Code, Section 982(a)(1), of any and all property, real and personal, involved in the offense charged in Count One of the Indictment, or any and all property traceable to the such property, including but not limited to a sum of money in Untied States currency representing the amount of property involved in the offense charged in Count One of the Indictment;

WHEREAS, the Indictment included a forfeiture allegation as to Count Two of the Indictment, seeking forfeiture to the Government, pursuant to Title 18, United States Code, Section 982(a)(2)(A), of any and all property constituting, or derived from, proceeds the Defendant obtained directly or indirectly, as a result of the commission of the offense charged in Count Two

of the Indictment, including but not limited to a sum of money in United States currency representing the amount of proceeds traceable to the commission of the offense;

WHEREAS, the Indictment also included a substitute asset provision providing notice that if as a result of the Defendant's actions or omissions forfeitable property is unable to be located or obtained, transferred or sold to a third party person, has been placed beyond the jurisdiction of the Court, substantially diminished value or has been commingled with other property which cannot be subdivided without difficulty, the United States will seek, pursuant to Title 21, United States Code, Section 853(p), the forfeiture of any other property of the Defendant;

WHEREAS, on or about November 21, 2019, the Defendant was found guilty, following a jury trial, of Counts One and Two of the Indictment;

WHEREAS, the Government seeks the forfeiture of various specific property, and entry of a forfeiture money judgment in the amount of \$392,940,000 in United States currency, representing (i) property involved in the commission of the offense charged in Count One of the Indictment and/or (ii) the property constituting, or derived from proceeds traceable to the commission of the offense charged in Count Two of the Indictment that the Defendant personally obtained;

WHEREAS, the Court finds that the property involved in the commission of the offense charged in Count One of the Indictment has a total value of \$392,940,000 in United States currency, and the property constituting, or derived from proceeds traceable to the commission of the offense charged in Count Two of the Indictment that the Defendant personally obtained had a total value of \$40,000,000;

WHEREAS, the Court finds that the following property was involved in the commission of the offense charged in Count One of the Indictment:

- a. \$2,455,686.10 in United States currency formerly on deposit in Account Number 85079788 held at Iberia Bank (formerly known as Sabadell United Bank) by Nicole J. Huesmann P.A.;
- b. Any and all funds on deposit in Account Number 40077102 held in the name of MSS International Consultants (BVI), Ltd., at DMS Bank and Trust Ltd.;
- c. Any and all funds on deposit in Account Number 40077100 held in the name of MSS International Consultants (BVI), Ltd., at DMS Bank and Trust Ltd.;
- d. Any and all funds on deposit in Account Number 10462701 held in the name of MSS International Consultants (BVI), Ltd., at First Caribbean International Bank;
- e. Any and all funds on deposit in Account Number 10465454 held in the name of DRP Holdings, Ltd., at First Caribbean International Bank;
- f. Any and all funds on deposit in Account Number 10465343, held in the name of MSS Marine Group, Ltd., at First Caribbean International Bank;
- g. Any and all funds on deposit in Account Number 10463883, held in the name of EGD Investment, Ltd., at First Caribbean International Bank;
- h. Any and all funds on deposit in Account Number 10465346, held in the name of Mumbelli Group Holding (Cayman), Ltd., at First Caribbean International Bank;
- i. Any and all funds on deposit in Account Number 2450478611, held in the name of HFT Holding Limited, at RBC Dominion Securities Global Ltd.;
- j. Any and all funds on deposit in Account Number CH3508565559929606901, held in the name of Mark S. Scott, at Dreyfus Sohne & Cie AG;
- k. \$129,088.74 in United States currency formerly on deposit in Account Number 9190041054 held in the name of Mark S. Scott and Lidia V. Kolesnikova, at Cooperative Bank of Cape Cod;

- l. Any and all funds on deposit in Account Number 2840912613, held in the name of Mark S. Scott, at Northern Trust Company;
- m. Any and all funds on deposit in Account Number 2840909434, held in the name of Mark S. Scott, at Northern Trust Company;
- n. Any and all funds on deposit in Account Number 43-98797, held in the name of Mark S. Scott, at Northern Trust Company;
- o. Any and all funds on deposit in Account Number PWA5493, held in the name of Mark S. Scott, at UBS Financial Services;
- p. Any and all funds on deposit in Account Number PWB1979, held in the name of Mark S. Scott, at UBS Financial Services;
- q. Any and all funds on deposit in Account Number PWA9666, held in the name of Mark S. Scott and Lidia Kolesnikova, at UBS Financial Services;
- r. \$2,449,467.9 in United States currency formerly on deposit in Account Number 4842-9048, held in the name of Mark S. Scott 2017 Trust at Wells Fargo Advisors;
- s. One 2017 Sunseeker 57 Predator Yacht, Hull No. "TAIMA," seized by the Internal Revenue Service ("IRS") on or about September 5, 2018;
- t. One 2017 Red Porsche 911 4S Turbo, bearing Vehicle Identification Number, WP0CD2A95HS178187 and containing License Plate Number HBNJ81;
- u. One 2018 White Porsche 911 GT2 RS, bearing Vehicle Identification Number, WP0AE2A91JS185471;
- v. All right, title and interest in real Properties located at 31 Dale Avenue, Hyannis Port, Massachusetts owned by MSSI 31 Dale Ave Property Group LLC, with all improvements, appurtenances, and attachments thereon;
- w. All right, title and interest in real Properties located at 105 Sunset Lane, Barnstable, Massachusetts 02630 owned by MSSI 105 Sunset Ln Property Group LLC, with all improvements, appurtenances, attachments thereon;

- x. All right, title and interest in real Properties located at 133 Sunset Lane Barnstable, Massachusetts 02630, with all improvements, appurtenances, and attachments thereon;
- y. The following items seized on or about September 5, 2018, from 133 Sunset Lane Barnstable, Massachusetts:
 - i. One Panerai PAM 582 barometer wall clock;
 - ii. One Panerai PAM 583 thermometer;
 - iii. One Panerai PAM 584 hygrometer;
 - iv. One Panerai PAM 585 wall clock; and
 - v. One Ring with stone;
- z. All right, title and interest in real Properties located at 600 Coral Way, Suite/Floor 12, Segovia Tower, Coral Gables, Florida 33134, with all improvements, appurtenances, and attachments thereon; and
- aa. All monies and funds contained in J.P. Morgan Chase attorney IOLA trust account 339656032, held by James Nobles Esq. P.C., and all funds traceable thereto, including accrued interest
- bb. All monies and funds contained in RBC Private Counsel (USA) Inc. account 3752442214, held by Mark S. Scott 2017 Trust and all funds traceable thereto, including accrued interest;
- cc. All monies and funds contained in RBC Private Counsel (USA) Inc. account 3756283317, held by Mark S. Scott 2017 Trust and all funds traceable thereto, including accrued interest;

((a) through (cc), collectively, the “Specific Property”);

WHEREAS the Court finds that as a result of acts and/or omissions of the Defendant, the property involved in the commission of Count One of the Indictment and the proceeds traceable to the offense charged in Count Two of the Indictment that the Defendant personally obtained cannot be located upon the exercise of due diligence, with the exception of the Specific Property;

WHEREAS, the Court finds that the value of the Specific Property is substantially less than \$392,940,000;

WHEREAS, the Government has identified the following additional assets in which the Defendant has an ownership interest:

- a) Any and all funds on deposit in Account Number 1X B0014YA held in the name of Mark S. Scott 2017 Trust, at UBS Financial Services;
- b) Any and all funds on deposit in Account Number 1X B0031YA held in the name of Mark S. Scott 2017 Trust, at UBS Financial Services;
- c) Any and all funds on deposit in College 529 Fund Account Number PW B4734 03, held in the name of Mark S. Scott FBO [REDACTED], at UBS Financial Services;
- d) Any and all funds on deposit in Account Number PW A5494 03, held in the name of Mark S. Scott, at UBS Financial Services;
- e) The following property seized on or about September 5, 2018, from 600 Coral Way, Suite/Floor 12, Segovia Tower, Coral Gables, Florida 33134:
 - i. One Heckler & Koch 40 MM gun, Serial No.: 219-004106;
 - ii. One Heckler & Koch 45 MM gun, Serial No.: HKU004967;
 - iii. One Desert Eagle SOAE, Serial No.: DK0038257;
 - iv. One Smith and Wesson, Serial No.: DJW0604;
 - v. One Beretta Shotgun and leather case;
 - vi. One Luminor Panerai P068/400 BB1577049;
 - vii. One Black Hermes Birkin Bag; and
 - viii. One Orange Hermes Birkin Bag
- f) The following property seized by the Government on or about September 5, 2018, from 133 Sunset Lane Barnstable, Massachusetts 02630:
 - i. One Black Hermes purse,
 - ii. One Brown/Tan Hermes purse; and
 - iii. One Green Hermes purse

(a through f, collectively, the “Substitute Assets”); and

WHEREAS, pursuant to Title 21, United States Code, Section 853(g), and Rules

32.2(b)(3), 32.2(b)(6), and 32.2(c) of the Federal Rules of Criminal Procedure, the Government is now entitled, pending any assertion of third-party claims, to reduce the Specific Property and the Substitute Assets to its possession and to notify any person who reasonably appears to be a potential claimant of their interest therein;

NOW, THEREFORE, IT IS ORDERED, ADJUDGED AND DECREED THAT:

1. As a result of the offenses charged in Counts One and Two of the Indictment, to which the Defendant was found guilty, a money judgment in the amount of \$392,940,000 in United States currency (the “Money Judgment”) shall be entered against the Defendant.

2. As a result of the offenses charged in Counts One and Two of the Indictment, to which the Defendant was found guilty, all of the Defendant’s right, title and interest in the Specific Property and the Substitute Assets is hereby forfeited to the United States for disposition in accordance with the law, subject to the provisions of Title 21, United States Code, Section 853. Upon the entry of a Final Order of Forfeiture forfeiting the Specific Property and the Substitute Assets to the United States, and their liquidation to the extent they constitute real or personal property, the net proceeds of the Specific Property and the Substitute Assets shall be applied towards the satisfaction of the Money Judgment.

3. Pursuant to Rule 32.2(b)(4) of the Federal Rules of Criminal Procedure, upon entry of this Preliminary Order of Forfeiture as to Specific Property and Substitute Assets/Money Judgment, this Preliminary Order of Forfeiture as to Specific Property and Substitute Assets/Money Judgment is final as to the Defendant, MARK S. SCOTT, and shall be deemed part of the sentence of the Defendant, and shall be included in the judgment of conviction therewith.

4. The United States Department of Treasury (or its designee) are hereby authorized to deposit the payments on the Money Judgment into the Treasury Assets Forfeiture Fund, and the United States shall have clear title to such forfeited property

5. All payments on the outstanding Money Judgment shall be made by postal money order, bank or certified check, made payable, in this instance to the United States Department of Treasury, and delivered by mail to the United States Attorney's Office, Southern District of New York, Attn: Money Laundering and Transnational Criminal Enterprises Unit, One St. Andrew's Plaza, New York, New York 10007 and shall indicate the Defendant's name and case number and the United States Department of Treasury shall be authorized to deposit the payments on the Money Judgment into the Treasury Assets Forfeiture Fund, and the United States shall have clear title to such forfeited property.

6. The United States (or its designee) is hereby authorized to take possession of the Specific Property and to hold such property in its secure custody and control.

7. Pursuant to Rule 32.2(b)(4) of the Federal Rules of Criminal Procedure, this Preliminary Order of Forfeiture as to Specific Property and Substitute Assets/Money Judgment is final as to the Defendant upon entry of this Preliminary Order of Forfeiture as to Specific Property and Substitute Assets/Money Judgment, and shall be deemed part of the sentence of the Defendant, and shall be included in the judgment of conviction therewith.

8. Pursuant to Title 21, United States Code, Section 853(n)(1), Rule 32.2(b)(6) of the Federal Rules of Criminal Procedure, and Rules G(4)(a)(iv)(C) and G(5)(a)(ii) of the Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions, the United States shall publish for at least thirty (30) consecutive days on the official government internet forfeiture site, www.forfeiture.gov, notice of this Preliminary Order of Forfeiture as to Specific

Property and Substitute Assets/Money Judgment and notice that any person, other than the Defendant in this case, claiming an interest in the Specific Property and/or Substitute Assets must file a petition within sixty (60) days from the first day of publication of the notice on this official government internet site, or no later than thirty-five (35) days from the mailing of actual notice, whichever is earlier.

9. The notice referenced in the preceding paragraph shall state that the petition shall be for a hearing to adjudicate the validity of the petitioner's alleged interest in the Specific Property and/or Substitute Assets, shall be signed by the petitioner under penalty of perjury, and shall set forth the nature and extent of the petitioners right, title or interest in the Specific Property and/or Substitute Assets and any additional facts supporting the petitioner's claim and the relief sought pursuant to Title 21, United States Code, Section 853(n).

10. Pursuant to 32.2 (b)(6)(A) of the Federal Rules of Criminal Procedure, the Government shall send notice to any person who reasonably appears to be a potential claimant with standing to contest the forfeiture in the ancillary proceeding.

11. Pursuant to Title 21, United States Code, Section 853(n), upon adjudication of all third-party interests, this Court will enter a Final Order of Forfeiture with respect to the Specific Property and Substitute Assets in which all interests will be addressed.

12. Pursuant to Rule 32.2(b)(3) of the Federal Rules of Criminal Procedure, upon entry of this Preliminary Order of Forfeiture as to Specific Property and Substitute Assets/Money Judgment the Office is authorized to conduct any discovery needed to identify, locate or dispose of property subject to forfeiture, including depositions, interrogatories, requests for production of documents and subpoenas, pursuant to Rule 45 of the Federal Rules of Civil Procedure.

13. The Court retains jurisdiction to take additional action, enter further orders, and amend this and any future orders as necessary to implement and enforce this Preliminary Order of Forfeiture as to Specific Property and Substitute Assets/Money Judgment.

14. The Clerk of the Court shall forward three certified copies of this Preliminary Order of Forfeiture as to Specific Property and Substitute Assets/Money Judgment to Assistant United States Attorney Alexander J. Wilson, Co-Chief of the Money Laundering & Transnational Criminal Enterprises Unit, United States Attorney's Office, One St. Andrew's Plaza, New York, New York 10007.

Dated: New York, New York
_____, 2020

SO ORDERED:

HONORABLE EDGARDO RAMOS
UNITED STATES DISTRICT JUDGE

EXHIBIT 2

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----	X	
	:	
UNITED STATES OF AMERICA	:	
	:	
-v-	:	GOVERNMENT'S FORFEITURE
	:	<u>BILL OF PARTICULARS</u>
MARK S. SCOTT,	:	
	:	S6 17 Cr. 630 (ER)
	:	
Defendant.	:	
-----	X	

Pursuant to *United States v. Grammatikos*, 633 F.2d 1013, 1024 (2d Cir. 1980), the Government respectfully gives notice that the property subject to forfeiture as a result of the offense described in Count One of the Superseding Indictment, and as alleged in the Forfeiture Allegation therein, includes the following:

- a. \$2,455,686.10 held at Iberia Bank (formerly known as Sabadell United Bank) Account Number 85079788 received from or on behalf of Mark. S. Scott and/or related companies, by Nicole J. Huesmann P.A.;
- b. Any and all funds on deposit in Account Number 81141046 in Iberia Bank (formerly known as Sabadell United Bank) received from or on behalf of Mark. S. Scott and/or related companies, by Nicole J. Huesmann P.A.;
- c. Any and all funds on deposit in Account Number 40077102 held in the name of MSS International Consultants (BVI), Ltd., at DMS Bank and Trust Ltd;
- d. Any and all funds on deposit in Account Number 40077100 held in the name of MSS International Consultants (BVI), Ltd., at DMS Bank and Trust Ltd;
- e. Any and all funds on deposit in Account Number 10462701 held in the name of MSS International Consultants (BVI), Ltd., at First Caribbean International Bank;

- f. Any and all funds on deposit in Account Number 10465454 held in the name of DRP Holdings, Ltd., at First Caribbean International Bank;
- g. Any and all funds on deposit in Account Number 10465343, held in the name of MSS Marine Group, Ltd., at First Caribbean International Bank;
- h. Any and all funds on deposit in Account Number 10463883, held in the name of EGD Investment, Ltd., at First Caribbean International Bank;
- i. Any and all funds on deposit in Account Number 10465346, held in the name of Mumbelli Group Holding (Cayman), Ltd., at First Caribbean International Bank;
- j. Any and all funds on deposit in Account Number 2450478611, held in the name of HFT Holding Limited, at RBC Dominion Securities Global Ltd.;
- k. Any and all funds on deposit in Account Number CH3508565559929606901, held in the name of Mark S. Scott, at Dreyfus Sohne & Cie AG;
- l. Any and all funds on deposit in Account Number 9190041054, held in the name of Mark S. Scott and Lidia V. Kolesnikova, at Cooperative Bank of Cape Cod;
- m. Any and all funds on deposit in Account Number 2840912613, held in the name of Mark S. Scott, at Northern Trust Company;
- n. Any and all funds on deposit in Account Number 2840909434, held in the name of Mark S. Scott, at Northern Trust Company;
- o. Any and all funds on deposit in Account Number 43-98797, held in the name of Mark S. Scott, at Northern Trust Company;
- p. Any and all funds on deposit in Account Number 45900306, held in the name of Maria Palacio, David R. Pike, and/or Francisco Palacio, at Ocean Bank;
- q. Any and all funds on deposit in Account Number PWA5493, held in the name of Mark S. Scott, at UBS Financial Services;
- r. Any and all funds on deposit in Account Number PWB1979, held in the name of Mark S. Scott, at UBS Financial Services;
- s. Any and all funds on deposit in Account Number PWA9666, held in the name of Mark S. Scott and Lidia Kolesnikova, at UBS Financial Services;

- t. Any and all funds on deposit in Account Number 4842-9048, held in the name of Mark S. Scott 2017 Trust, at Wells Fargo Advisors;
- u. One 2017 Sunseeker 57 Predator Yacht, seized by the Internal Revenue Service (“IRS”) on or about September 5, 2018 (the “2017 Sunseeker”);
- v. One 2016 White Porsche 911 GT3 RS, bearing Vehicle Identification Number WP0AF2A92GS195089 and containing License Plate Number DVADER3, (the “2016 Porsche”);
- w. One 2017 Red Porsche 911 4S Turbo, bearing Vehicle Identification Number, WP0CD2A95HS178187 and containing License Plate Number HBNJ81, (the “2017 Porsche”);
- x. One 2018 White Porsche 911 GT2 RS, bearing Vehicle Identification Number, WP0AE2A91JS185471, (the “2018 White Porsche”);
- y. All right, title and interest in real Properties located at 31 Dale Avenue, Hyannis Port, Massachusetts owned by MSSI 31 Dale Ave Property Group LLC, with all improvements, appurtenances, and attachments thereon;
- z. All right, title and interest in real Properties located at 105 Sunset Lane, Barnstable, Massachusetts 02630 owned by MSSI 105 Sunset Ln Property Group LLC, with all improvements, appurtenances, attachments thereon;
- aa. All right, title and interest in real Properties located at 133 Sunset Lane Barnstable, Massachusetts 02630, with all improvements, appurtenances, and attachments thereon;
- bb. Any and all items of value seized on or about September 5, 2018, from 133 Sunset Lane Barnstable, Massachusetts 02630 (the “Sunset Lane Items of Value”), including but not limited to the following:
 - i. One Panerai PAM 582 barometer wall clock;
 - ii. One Panerai PAM 583 thermometer;
 - iii. One Panerai PAM 584 hygrometer;
 - iv. One Panerai PAM 585 wall clock;
 - v. One Luminor Panerai P068/400 BB1577049;
 - vi. 3 Purses – One Black Hermes, One Brown/Tan Hermes, and One Green Hermes;
 - vii. One Ring with stone;

- cc. All right, title and interest in real Properties located at 600 Coral Way, Suite/Floor 12, Segovia Tower, Coral Gables, Florida 33134, with all improvements, appurtenances, and attachments thereon;
- dd. Any and all items of value seized on or about September 5, 2018, from 600 Coral Way, Suite/Floor 12, Segovia Tower, Coral Gables, Florida 33134 (the “Coral Way Items of Value”), including but not limited to the following:
 - i. One Black Hermes Birkin Bag;
 - ii. One Orange Hermes Birkin Bag;
 - iii. One Heckler & Koch 40 MM gun, Serial No.: 219-004106
 - iv. One Heckler & Koch 45 MM gun, Serial No.: HKU004967
 - v. One Desert Eagle SOAE, Serial No.: DK0038257
 - vi. One Smith and Wesson, Serial No.: DJW0604
 - vii. One Beretta Shotgun and leather case;

((a) through (dd) the “Specific Property”)

Dated: New York, New York
February 22, 2019

Respectfully Submitted,
GEOFFREY S. BERMAN
United States Attorney

By: /s/ Christopher J. DiMase
CHRISTOPHER J. DIMASE
Assistant United States Attorney
Tel: (212) 637-2433

EXHIBIT 3

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

-v.-

MARK S. SCOTT,

Defendant.

TO BE FILED UNDER SEAL

**POST-INDICTMENT
RESTRAINING ORDER**

S6 17 Cr. 630

Upon the application of GEOFFREY S. BERMAN, United States Attorney for the Southern District of New York, pursuant to Title 18, United States Code, Section 982 and Title 21, United States Code, Section 853, based on the Affidavit of Senior Financial Intelligence Analyst Rosalind October, New York County District Attorney's Office, executed on April 18, 2019, and upon a finding of probable cause, that the Target Properties, defined below, are subject to restraint and forfeiture pursuant to Title 18, United States Code, Section 982 and Title 21, United States Code, Section 853,

IT IS HEREBY ORDERED that MARK S. SCOTT, the defendant, and all attorneys, agents, and employees, and anyone acting on the behalf of SCOTT, and all persons or entities in active concert or participation with any of the above, and all persons or entities having actual knowledge of this Order, shall not take any action prohibited by this Order.

IT IS FURTHER ORDERED that MARK S. SCOTT, the defendant, and all attorneys, agents, and employees, and anyone acting on the behalf of SCOTT, and all persons or entities in active concert or participation with any of the above, and all persons or entities having actual knowledge of this Order, shall not, directly or indirectly, transfer, sell, assign, pledge, hypothecate, encumber, or dispose of in any manner; cause to be transferred, sold, assigned, pledged, hypothecated, encumbered, disposed of in any manner; or take, or cause to be taken, any action that would have the effect of depreciating, damaging, or in any way diminishing the

value of property or other interests belonging to, or owed to, or controlled in whole or in part by the defendant, which property or other interests are subject to forfeiture. The property and other interests hereby restrained include, but are not limited to, the following:

a. All monies and funds contained in RBC Private Counsel (USA) Inc. account 3752442214, held by Mark S. Scott 2017 Trust ("Target Account-1"), and all funds traceable thereto, including accrued interest; and

b. All monies and funds contained in RBC Private Counsel (USA) Inc. account 3756283317, held by Mark S. Scott 2017 Trust ("Target Account-2"), and all funds traceable thereto, including accrued interest (together with the property contained in Target Account-1, the "Target Properties");
which are alleged to constitute funds and criminal proceeds property involved in violation of 18 U.S.C. § 1956(h) (conspiracy to commit money laundering).

IT IS FURTHER ORDERED that the United States Attorney's Office for the Southern District of New York, in its discretion, is authorized to direct the release of assets restrained herein;

IT IS FURTHER ORDERED Any person or entity claiming an interest in the assets listed in this Order may contact the following Assistant United States Attorney to clarify the scope of the Order: Assistant United States Attorney Christopher J. DiMase, Telephone Number (212) 637-2433. Those persons or entities will not be deemed in violation of this Order for any transactions undertaken upon approval made by Assistant United States Attorney DiMase.

IT IS FURTHER ORDERED that this Restraining Order shall be binding upon the defendant, the attorneys, agents, and employees, and all persons in active concert or participation with any of the above, or any other person having actual knowledge of this Order, and that this Order shall remain in effect until further order of this Court;

IT IS FURTHER ORDERED that this Restraining Order and all papers submitted therewith shall be maintained under seal until such time as the unsealing of the above-captioned criminal Indictment, except that the United States Attorney's Office or its designee(s) may provide copies of this Order to any person in order to facilitate the execution of this Restraining Order, including any relevant financial institutions and/or the defendant; and

IT IS FURTHER ORDERED that service of a copy of this Order shall be made on the defendant or his attorney(s) by regular mail.

Dated: New York, New York
April 18, 2019

SO ORDERED:



HONORABLE KIMBA M. WOOD, PART I
UNITED STATES DISTRICT JUDGE

EXHIBIT 4

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

-v.-

MARK S. SCOTT,

Defendant.

TO BE FILED UNDER SEAL

**POST-INDICTMENT
RESTRAINING ORDER**

S6 17 Cr. 630

Upon the application of GEOFFREY S. BERMAN, United States Attorney for the Southern District of New York, pursuant to Title 18, United States Code, Section 982 and Title 21, United States Code, Section 853, based on the Affidavit of Senior Financial Intelligence Analyst Rosalind October, New York County District Attorney's Office, executed on April 18, 2019, and upon a finding of probable cause, that the Target Account, defined below, is subject to restraint and forfeiture pursuant to Title 18, United States Code, Section 982 and Title 21, United States Code, Section 853,

IT IS HEREBY ORDERED that MARK S. SCOTT, the defendant, and all attorneys, agents, and employees, and anyone acting on the behalf of SCOTT, and all persons or entities in active concert or participation with any of the above, and all persons or entities having actual knowledge of this Order, shall not take any action prohibited by this Order.

IT IS FURTHER ORDERED that MARK S. SCOTT, the defendant, and all attorneys, agents, and employees, and anyone acting on the behalf of SCOTT, and all persons or entities in active concert or participation with any of the above, and all persons or entities having actual knowledge of this Order, shall not, directly or indirectly, transfer, sell, assign, pledge, hypothecate, encumber, or dispose of in any manner; cause to be transferred, sold, assigned, pledged, hypothecated, encumbered, disposed of in any manner; or take, or cause to be taken, any action that would have the effect of depreciating, damaging, or in any way diminishing the

value of property or other interests belonging to, or owed to, or controlled in whole or in part by the defendant, which property or other interests are subject to forfeiture. The property and other interests hereby restrained include, but are not limited to, the following:

a. All monies and funds contained in J.P. Morgan Chase attorney IOLA trust account 339656032, held by James Nobles Esq. P.C. (the "Target Account"), and all funds traceable thereto, including accrued interest; which are alleged to constitute funds and criminal proceeds property involved in violation of 18 U.S.C. § 1956(h) (conspiracy to commit money laundering).

IT IS FURTHER ORDERED that the United States Attorney's Office for the Southern District of New York, in its discretion, is authorized to direct the release of assets restrained herein;

IT IS FURTHER ORDERED Any person or entity claiming an interest in the assets listed in this Order may contact the following Assistant United States Attorney to clarify the scope of the Order: Assistant United States Attorney Christopher J. DiMase, Telephone Number (212) 637-2433. Those persons or entities will not be deemed in violation of this Order for any transactions undertaken upon approval made by Assistant United States Attorney DiMase.

IT IS FURTHER ORDERED that this Restraining Order shall be binding upon the defendant, the attorneys, agents, and employees, and all persons in active concert or participation with any of the above, or any other person having actual knowledge of this Order, and that this Order shall remain in effect until further order of this Court;

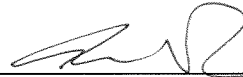
IT IS FURTHER ORDERED that this Restraining Order and all papers submitted therewith shall be maintained under seal until such time as the unsealing of the above-captioned criminal Indictment, except that the United States Attorney's Office or its designee(s) may

provide copies of this Order to any person in order to facilitate the execution of this Restraining Order, including any relevant financial institutions and/or the defendant; and

IT IS FURTHER ORDERED that service of a copy of this Order shall be made on the defendant or his attorney(s) by regular mail.

Dated: New York, New York
July 12, 2019

SO ORDERED:



HONORABLE EDGARDO RAMOS
UNITED STATES DISTRICT JUDGE

EXHIBIT 5

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

-v.-

MARK S. SCOTT,

Defendant.

**AFFIDAVIT IN SUPPORT OF
GOVERNMENT'S FORFEITURE
MOTION.**

S10 17 Cr. 630 (ER)

STATE OF NEW YORK)
COUNTY OF NEW YORK :ss.:
SOUTHERN DISTRICT OF NEW YORK)

Rosalind October, Senior Financial Intelligence Analyst, New York County District Attorney's Office, being duly sworn, deposes and says:

I. Introduction

A. Affiant

1. I am a senior financial intelligence analyst with the Major Economic Crimes Bureau of the New York County District Attorney's Office, and I have been employed in this position since August 2013. During that time, I have participated in numerous investigations of various financial crimes, including fraud and money laundering offenses. I have been involved in the instant investigation since approximately early 2016, working together with Special Assistant United States Attorney ("SAUSA") Julieta V. Lozano, who has been cross-designated as a SAUSA to work on this matter with prosecutors from the United States Attorney's Office for the Southern District of New York. I also testified at the trial of *United States v. Mark S. Scott*, S10 17 Cr. 630 (ER) (the "Scott Trial"), on or about November 18 and 19, 2019. During my testimony, I was subject to cross-examination on behalf of Scott, through his lawyer, David Garvin, Esq. My testimony from that trial is incorporated by reference herein as Exhibit A to this affidavit.

2. This affidavit is submitted in support of the United States of America's

application for a Preliminary Order of Forfeiture, in which the Government seeks a money judgment in the amount of \$392,940,000, and the forfeiture of certain specific assets that were derived from and/or involved in the laundering of criminal proceeds as alleged in the Indictment and set forth in more detail below. Throughout this affidavit I reference certain exhibits that were introduced at the Scott Trial by the trial exhibit number, as well as certain new exhibits that I have created based on my review of bank records, which I will refer to by the exhibit names listed below. The additional exhibits referred to in this affidavit are included for reference in the chart below. The charts below depict certain bank and brokerage accounts (the “Subject Accounts”) that were used in furtherance of Scott’s money laundering, as well as certain property (the “Subject Property”) that was purchased from the proceeds of the OneCoin fraud scheme:

Bank Accounts (“Subject Accounts”)

Bank	Account No.	Account Name	Exhibit	Restraining / Seizure Order Date	Estimated Balance	Tracing from OneCoin-related Accounts ¹
Iberia Bank	████ 9788	Nicole J. Huesmann PA (“9788 Iberia Account”)	B	9/17/2018	\$2,455,686.10	\$16,523,635
DMS Bank	████ 7102	MSS International Consultants (“7102 DMS Account”)	C	9/4/2018	\$0.00	€2,429,927
DMS Bank	████ 7100	MSS International Consultants (“7100 DMS Account”)	D	9/4/2018	\$0.00	\$19,421,706
FirstCaribbean International Bank	████ 2701	MSS International Consultants (“2701 FirstCaribbean Account”)	E	9/4/2018	\$321,275.34	\$7,145,362
FirstCaribbean	████ 5454	DRP Holdings Ltd	F	9/4/2018	\$0.00	\$390,630

¹ As described in detail below, the funds in this column represent funds that were transferred into and in some cases through the Subject Accounts. These funds were originally sourced from OneCoin Funding Accounts and often passed through intermediary accounts controlled by Scott before being transferred into and through the Subject Accounts.

International Bank		BVI (“5454 FirstCaribbean Account”)				
FirstCaribbean International Bank	5343	MSS Marine Group (“5343 FirstCaribbean Account”)	GX 2628	9/4/2018	\$45,448.26	\$250,000
FirstCaribbean International	3883	EGD Investment Ltd (“3883 FirstCaribbean Account”)	GX 2628	9/4/2018	\$6,637.52	\$130,000
FirstCaribbean International Bank	5346	Mumbelli Group Holding (Cayman) (“5346 FirstCaribbean Account”)	F	9/4/2018	\$39,770.66	\$100,000
RBC Dominion Securities Global Ltd.	8611	HFT Holding Limited (“8611 RBC Account”)	G	9/4/2018	\$0.00	\$6,515,498 £5,775,072
Dreyfus Sohne & Cie AG	6901	Mark S. Scott (“6901 Dreyfus Account”)	GXs 2612 2628	9/4/2018	\$3,200,000.00	£2,500,036
Cooperative Bank of Cape Cod	1054	Mark S. Scott and Lidia V. Kolesnikova (“1054 Cooperative Account”)	B and H	9/4/2018	\$129,088.74	\$265,000
Northern Trust Company	2613	Mark S. Scott PL (“2613 Northern Trust Account”)	H	9/4/2018; 10/15/2018 Revised	\$2,613.84	\$1,245,592
Northern Trust Company	9434	Mark S. Scott (“9434 Northern Trust Account”)	H	9/4/2018; 10/15/2018 Revised	\$31,012.87	\$1,920,000
Northern Trust Company	8797	Mark Stanley Scott (“8797 Northern Trust Account,” collectively with the 2613 and 9434 Accounts, the “Northern Trust Accounts”)	H	10/15/2018	\$969,317.82	\$2,028,000
UBS Financial Services	1979	Mark S. Scott, P.L. (“1979 UBS Account”)	J	9/4/2018	\$800,496.62	\$3,250,000
UBS Financial Services	9666	Mark S. Scott and Lidia Kolesnikova (“9666 UBS Account”)	J	9/4/2018; 10/15/2018 Revised	\$112,055.05	\$50,000
UBS Financial	5493	Mark S. Scott 2017	J	9/4/2018	\$8,442,799.64	\$7,482,426

Services		Trust ("5493 UBS Account," collectively with the 1979 and 9666 UBS Accounts, the "UBS Accounts")				
Wells Fargo Advisors	9048	Mark S. Scott 2017 Trust ("9048 Wells Fargo Account")	K	9/4/2018	\$2,449,467.90	\$1,969,527
RBC Private Counsel (USA) Inc.	2214	Mark S. Scott 2017 Trust ("2214 RBC Account")	G	4/18/2019	\$9,241,352.00	\$9,712,122
RBC Private Counsel (USA) Inc.	3317	Mark S. Scott 2017 Trust ("3317 RBC Account," collectively with the 8611 and 2214 RBC Accounts, the "RBC Accounts")	G	4/18/2019	\$4,504,344.00	\$4,584,206
J.P. Morgan Chase Bank	6032	James Nobles Esq. P.C ("6032 JPMC Account")	L	7/15/2019	\$1,750,000.00	\$1,750,000
				Total	\$34,501,366.3	\$84,733,704 £8,275,108 €2,429,927

Cars and Yacht

Description	Name	Date Seized	VIN / Hull Nos.
2017 Sunseeker Predator yacht	"2017 Yacht"	9/4/2018	TAIMA
2016 White Porsche 911 GT3 RS	"2016 Porsche"	Not Seized	WP0AF2A92GS195089
2017 Red Porsche 911 4S Turbo	"2017 Porsche"	9/4/2018	WP0CD2A95HS178187
2018 White Porsche 911 GT2 RS	"2018 White Porsche"	9/28/2018	WP0AE2A91JS185471
2018 Gray Porsche 911 GTRS2	"2018 Gray Porsche"	Not subject to seizure warrant	WP0AC2A90JS175665

Personal Property

Description	Name	Date Seized
Ring with alleged diamond	"Diamond Ring"	9/5/2018
Panerai PAM 582 barometer	"Pam 582 Clock"	9/5/2018

wall clock		
Panerai PAM 585 wall clock	“Pam 585 Clock”	9/5/2018
Panerai PAM 583 thermometer	“Pam 583 Thermometer”	9/5/2018
Panerai PAM 584 hygrometer	“Pam 584 hygrometer”	9/5/2018

Real Property

Address	Name
31 Dale Avenue, Hyannis Port, MA 02601	“31 Dale Avenue Property”
105 Sunset Lane, Barnstable, MA 02630	“105 Sunset Lane Property”
133 Sunset Lane, Barnstable, MAs 02630	“133 Sunset Lane Property”
600 Coral Way, Suite/Floor 12, Segovia Tower, Coral Gables, FL 33134	“600 Coral Way Property”

3. This affidavit is based on, among other sources of information: (i) my personal knowledge; (ii) information provided to me by other law enforcement officials at the Federal Bureau of Investigation, the Internal Revenue Service, the Manhattan District Attorney’s Office, and the United States Attorney’s Office for the Southern District of New York participating in the same investigation (collectively, the “Investigative Team”); (iii) the review and analysis of various bank account records, including financial records obtained from international law enforcement authorities pursuant to mutual legal assistance treaty (“MLAT”) requests and other requests to foreign authorities, conducted by members of the Investigative Team; and (iv) my training and experience concerning the commission of financial crimes. This affidavit does not include all the facts that I have learned during the course of my investigation. Where dates, figures, and calculations are set forth herein, they are approximate. Where the contents of documents and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where otherwise indicated.

4. As set forth below, I have learned during the investigation and prosecution of Mark S. Scott that Scott organized a series of investment funds under the umbrella of corporate entities named “MSS International Consultants,” incorporated in the British Virgin Islands. Among other things, Scott incorporated MSS International Consultants (BVI), Ltd. (“MSSI LTD”), which was a fund manager registered in the British Virgin Islands. MSSI LTD in turn owned and operated a series of purported investments funds held in variations of the name “Fenero” (collectively, the “Fenero Accounts”). The Fenero investment funds maintained bank accounts at banks located in the Cayman Islands and Ireland, and were funded with a total of approximately \$378 million in fraud proceeds from an international pyramid fraud scheme (the “OneCoin Fraud Scheme”). During the course of this investigation I have learned that the Subject Accounts were used to send and receive funds from that scheme, and that the Subject Property was purchased with funds derived from that scheme.

II. Financial Tracing

A. Overview

5. As I indicated during my testimony at the Scott trial, during the course of the investigation of OneCoin and Scott, I analyzed and traced funds related to bank accounts held by Scott. (Tr. 1543-45). In conducting that financial tracing I examined several different types of bank accounts, including private equity accounts, personal accounts, and corporate entity accounts. (Tr. 1546). As noted above, Scott’s private equity accounts were held in the name of Fenero (*i.e.*, the Fenero Accounts). (*Id.*). Between in or around May 2016 and July 2018, approximately nine bank accounts funded deposits into the Fenero Accounts. (Tr. 1547). Those bank accounts were in the names of variations of the name International Marketing Services (“IMS”), B&N Consult Ltd. (“B&N”), Star Merchant Inc. Ltd. (“Star”), and Fates Group (collectively, the “OneCoin Funding Accounts”). (GX 2602-A). Approximately \$392,940,000

was transferred from the OneCoin Funding Accounts into the Fenero Accounts during that same time period. (*Id.*). Through financial tracing, I have learned that the OneCoin Funding Accounts received, either directly or indirectly, monies sent to OneCoin members purchasing trader packages.

6. During the course of the investigation, I have also traced funds that were received into the Fenero Accounts and subsequently transferred out of the Fenero Accounts. As set forth in greater detail below, among other places, I traced those funds to a number of intermediary accounts that were also controlled by Scott. Specifically, after the equivalent of approximately \$392,940,000² (€354,000,000 and \$9,990,185) was transferred into the Fenero Accounts, all of the funds were subsequently transferred into intermediary bank accounts controlled by Scott in the Cayman Islands and at Bank of Ireland in the Republic of Ireland. (*See* GX 2603). Funds from accounts at the Bank of Ireland were in turn transferred to bank accounts around the world, including to accounts in Bulgaria (€65,196,101) and the United Arab Emirates (€185,000,000). (GX 2627). Furthermore, the USD equivalent of approximately more than \$50 million in funds were transferred to accounts controlled by Scott, or for Scott's benefit. (GX 2628). Finally, as set forth in greater detail below, I have learned through my tracing that Scott used funds that originated from the OneCoin Funding Accounts and flowed through the Fenero Accounts, to fund numerous purchases of real and personal property, including among others: a \$2,850,000 home located at 133 Sunset Lane, Barnstable, MA (*i.e.*, the 133 Sunset Lane Property); a \$3,765,000 residence located at 31 Dale Avenue, Hyannis Port, MA (*i.e.*, the 31 Dale Property);

² Based on my review of the currency exchange rates during the period of time of Scott's money laundering offenses (*i.e.*, 2015 through 2018), I have learned that the average lowest exchange rate during that time period was 1.11. (*See* <https://www.macrotrends.net/2548/euro-dollar-exchange-rate-historical-chart>). Specifically, the average exchange rates for 2015-2018 were 1.11, 1.11, 1.13, and 1.18 respectively. Accordingly, \$392,940,000 is a conservative estimate of the USD equivalent of the funds laundered by Scott.

an ownership interest in another residence located at 105 Sunset Lane, Barnstable, MA (*i.e.*, the 105 Sunset Lane Property); payment of \$1,000,794.66 to pay off the mortgage for a property located at 600 Coral Way, Unit 12, Florida (the “600 Coral Way Property”); a \$245,269 Ferrari (the “Ferrari”); a \$218,898 2018 Porsche 911 GTRS2 (*i.e.*, the 2018 White Porsche); a \$119,529 2017 Porsche 911 Turbo (*i.e.*, the 2017 Porsche); a \$332,248 2016 Porsche 911R (*i.e.*, the 2016 Porsche); a \$1,310,000 Sunseeker yacht (*i.e.*, the 2017 Yacht); approximately \$364,747 in luxury watches; and approximately \$243,400 in jewelry and luxury bags. (GX 2620).

B. Scott’s Purchases of Real and Personal Property with Funds from OneCoin Funding Accounts

7. As noted above, through my financial tracing I have learned that Scott used funds that originated from the OneCoin Funding Accounts and flowed through the Fenero Accounts to fund numerous purchases of real and personal property. Specifically, Scott funded the following purchases with funds that originated from the OneCoin Funding Accounts:

Real Property

a. 133 Sunset Lane Property: On or about October 24, 2016, Scott purchased the 133 Sunset Lane Property with \$2,850,000 in funds that originated from the OneCoin Funding Accounts. (Tr. 1697 – 1699; GX 2617-A and 2620). Specifically, Scott transferred funds from two accounts (the 7102 DMS Account and a Bank of Ireland account in the name of “Fenero Tradenext Holding” ending in 4760 (the “4760 BOI Account”)) through a series of intermediary accounts, for the ultimate purchase of the 133 Sunset Lane Property for \$2,850,000. (GX 2617-A). Further, the 7102 DMS Account and the 4760 BOI Account were both funded by a Fenero Account at DMS bank ending in 6102 (the “6102 DMS Account”), which was in turn funded by several of the OneCoin Funding Accounts. (GX 2604).

b. 31 Dale Property: On or about September 20, 2017, Scott purchased the 31

Dale Property with \$3,765,000.00 in funds that originated from the OneCoin Funding Accounts. (Tr. 1700-1703; GX 2617-D and 2620). Specifically, Scott transferred funds from the 4760 BOI Account and the 7100 DMS Account through an intermediary account, for the ultimate purchase of the 31 Dale Property for \$3,765,000.00. (GX 2617-D). The 7100 DMS Account and the 4760 BOI Account were both funded by the 6102 DMS Account, which was in turn funded by several of the OneCoin Funding Accounts. (GXs 2602-A, 2604).

c. 105 Sunset Lane Property: On or about November 13, 2017, Scott, along with a third party, purchased the 105 Sunset Lane Property for a total purchase price of \$2,310,000. (Tr. 1703-1705; GX 2617-E and 2620). Scott contributed \$1,310,000 towards the purchase of the 105 Sunset Lane Property, which originated from the OneCoin Funding Accounts. Specifically, Scott transferred \$1,310,000 funds from the 7100 DMS Account, through an intermediary account, for the ultimate purchase of the 105 Sunset Lane Property. (GX 2617-E). The 7100 DMS Account was funded by the 6102 DMS Account and Exhibit C, which was in turn funded by several of the OneCoin Funding Accounts. (GX 2604).

d. 600 Coral Way Property: On or about October 16, 2016, Scott payed off the mortgage for the 600 Coral Way Property with a payment in the amount of \$1,000,794.66, all of which originated from the OneCoin Funding Accounts. (Tr. 1699-1700; GX 2617-B and 2620). Specifically, Scott transferred funds from two Bank of Ireland Accounts in the name of Fenero Tradenext Holding ending in 8576 (the “8576 BOI Account”) and ending in 5001 (the “5001 BOI Account”) through a series of intermediary accounts, for the ultimate payment of \$1,000,794.66 to pay off the mortgage for the 600 Coral Way Property. (GX 2617-B). The 8576 and 5001 BOI Accounts were both funded by the 6102 DMS Account, which was in turn funded by several of the OneCoin Funding Accounts. (GX 2604).

Luxury Cars

e. The 2016 Porsche: On or about June 15, 2017, Scott purchased the 2016 Porsche for \$332,248.41. (Tr. 1708-1709; GX 2619-C). To make the purchase, Scott used funds that had originated from the OneCoin Funding Accounts. Specifically, Scott transferred funds from the 7102 DMS Account, through two intermediary accounts controlled by Scott, for the ultimate purchase of the 2016 Porsche. (GX 2619-C). As noted above, the 7102 DMS Account was funded by the 6102 DMS Account, which was in turn funded by several of the OneCoin Funding Accounts. (GX 2604). The 2016 Porsche was subject to a seizure warrant but was sold by Scott on or about June 5, 2019 for approximately \$250,000.

f. The 2017 Porsche: On or about February 10, 2017, Scott purchased the 2017 Porsche for \$119,529.50. (Tr. 1707-1708; 2619-B). To make the purchase, Scott used funds that had originated from the OneCoin Funding Accounts. Specifically, Scott transferred funds from the 4760 BOI Account, through an intermediary account, for the ultimate purchase of the 2017 Porsche. (GX 2619-B). As noted above, the 4760 BOI Account was funded by the 6102 DMS Account, which was in turn funded by several of the OneCoin Funding Accounts. (GX 2604). The 2017 Porsche was seized by the Government on or about November 4, 2018.

g. The 2018 White Porsche: On or about August 29, 2018, Scott purchased the 2018 White Porsche for \$617,426.46. (Tr. 1710-1711; GX 2619-E). To make the purchase, Scott used funds that had originated from the OneCoin Funding Accounts. Specifically, Scott transferred funds from the 2701 FirstCaribbean Account and an account at Royal Bank of Canada ending in 3317 (the “3317 RBC Account”), through a series of intermediary accounts, for the ultimate purchase of the 2018 White Porsche. (GX 2619-E). The 2701 FirstCaribbean Account was funded by the 6102 DMS Account, which in turn was funded by several of the OneCoin Funding Accounts. (GX 2604). As reflected in Exhibit G, a number of Scott’s intermediary accounts, including the 7100 DMS Account and the 2701 FirstCaribbean Account,

funded an account at RBC Dominion Securities ending in 8611 (the “8611 RBC Account”), which in turn funded the 3317 RBC Account. (*See* Exhibit G). All of Scott’s accounts that funded the 8611 RBC Account, were in turn funded by several of the OneCoin Funding Accounts. (GX 2604; *see also infra* at ¶ 8(h)).

h. 2018 Gray Porsche: On or about June 11, 2018, Scott purchased the 2018 Gray Porsche for \$218,898.87. (*See* GX 2619-D). As shown in GX 2619-D, Scott’s purchase of the 2018 Grey Porsche was funded through a wire transfer from the 5493 UBS Account. Furthermore, as explained in detail below, and as depicted in GX 2619-D, the 5493 UBS Account was funded by a series of wire transfers from intermediary bank accounts controlled by Scott, including the 3317 RBC Account, *see infra* ¶ 8(l). Furthermore, as noted below, the funds in all of the intermediary accounts that funded the 5493 UBS Account originated from OneCoin Funding Accounts, *see infra* ¶ 8(l).

Other Purchases

i. The Yacht: On or about March 21, 2017, Scott purchased the Yacht for \$1,310,000.00. (Tr. 1711-1713; GX 2619-F). To make the purchase, Scott used funds that had originated from the OneCoin Funding Accounts. Specifically, Scott transferred funds from the 5001 BOI Account to an intermediary account, for the ultimate purchase of the Yacht. (GX 2619-F). As noted above, the 5001 BOI Account was funded by the 6102 DMS Account, which was in turn funded by several of the OneCoin Funding Accounts. (GX 2604).

j. Other Personal Property: As shown in Exhibit M, Scott used additional funds that originated from the OneCoin Funding Accounts to make purchases of expensive jewelry and other luxury items. Specifically, on or about November 15, 2016, \$121,000 was sent from an account at City National Bank of Florida (“CNB”) ending in 0295 (the “0295 CNB Account”) to fund the purchase of an emerald cut engagement ring. On or about December 27, 2016, funds

from the 0295 CNB Account were used to fund the purchase of a luxury bag for \$40,950.00 and on or about March 17, 2017, funds from a Scott bank account at City National Bank of Florida ending in 3236 (the “3236 CNB Account”) were used to fund the purchase of another luxury bag for \$20,950.00.³ Furthermore, funds from the 0295 CNB Account were also used to fund purchases of Panerai clocks on October 17, 2016 for \$8,100.00. Funds from another Scott Account at City National Bank of Florida ending in 3008 (the “3008 CNB Account”) funded the purchase of additional Panerai clocks on October 28, 2016, in the amount 7,000.000. As set forth in GXs 2628 and 2611, I have determined through my financial tracing that the funds in the 3236, 0295, and 3008 CNB Accounts originated from a number of intermediary accounts that were in turn funded by the OneCoin Funding Accounts. (*See also* GXs 2605, 2604, 2605, 2607, 2609, 2610).

C. Tracing of Additional Funds from OneCoin Funding Accounts to Other Bank Accounts

8. In addition to the purchases noted above, through my financial tracing I have learned that Scott used an intricate web of international bank accounts to transfer funds that originated from the OneCoin Funding Accounts and flowed through the Fenero Accounts to a number of other bank accounts. Specifically, I have traced funds that originated from the OneCoin Funding Accounts and were transferred, often through layers of intermediary accounts, to and through the following bank accounts:

a. 7102 DMS Account: As shown in Exhibit C, between in or around June 2016 through April 2017, approximately €21,869,347.84 in funds were transferred in a series of wire transfers from three of Scott’s intermediary accounts, all in the name of “Fenero,” to the 7102

³ Based on my review of Hermes business records, I have learned that Scott made several additional purchases of Hermes bags before (and after) his arrest in this case. Those purchase included, for example, the purchase of a Birkin bag on or about April 13, 2018, for \$11,900.

DMS Account. Specifically, the funds were routed through the 6102 DMS Account, another Fenero Account at DMS Cayman ending in 4102 (the “4102 Fenero Account”), a Fenero Account at Bank of Ireland ending in 9811 (the “9811 Fenero Account”). Furthermore, I have learned from my tracing that all of the funds that were transferred into the 7102 DMS Account from the three Fenero Accounts originated from several of the OneCoin Funding Accounts. (GXs 2604 and 2605).

b. 7100 DMS Account: As shown in Exhibit D, between in or around September 2016 through March 2017, approximately €19,421,706.36 in funds were transferred in a series of wire transfers from five of Scott’s intermediary accounts, all in the name of “Fenero,” and DMS Cayman MSSI to the 7100 DMS Account. Specifically, the funds were routed through the 6102 DMS Account, the 7102 DMS Account, the 4102 DMS Account, another Fenero Account at DMS Cayman ending in 3464 (the “3464 Fenero Account”), the 4760 BOI Account, and the 5001 BOI Account. Furthermore, I have learned from my tracing that all of the funds that were transferred into the 7100 DMS Account from the five Fenero Accounts originated from several of the OneCoin Funding Accounts. (GXs 2602 and 2604).

c. 2701 FirstCaribbean Account: As shown in Exhibit E, between in or around July 2016 through April 2018, the equivalent of approximately €7,145,362.54 in funds⁴ were transferred in a series of wire transfers from seven intermediary accounts to the 2701 FirstCaribbean Account. Specifically, the funds were routed through the 6102 DMS Account, the 3464 Fenero Account, the 7100 DMS Account, the 7102 DMS Account, the 0295 CNB Account, the 3008 CNB Account, and another account at City National Bank of Florida in the name of “Spero Holdings LLC” ending in 3443(the “3443 CNB Account”). Furthermore, I have

⁴ These funds were a mix of both Euros and USD.

learned from my tracing that all of the funds that were transferred into the 2701 FirstCaribbean Account from these seven intermediary accounts originated from several of the OneCoin Funding Accounts. (*See* GXs 2602, 2603-A, 2608, 2610, 2604, and Exhibit F).

d. 5454 FirstCaribbean Account: As shown in Exhibit F, on or about April 7, 2017, and April 21, 2017, two wire transfers totaling \$390,630.00 were sent to the 5454 FirstCaribbean Account. The wire transfer on April 7, 2017 in the amount of \$315,000.00, was sent from the 7100 DMS Account, and the wire transfer on April 21, 2017 in the amount of \$75,630.00 was sent from the 2701 FirstCaribbean Account. As set forth above, the funds in both of these accounts originated from several of the OneCoin Funding Accounts. (GXs 2602, 2603-A, 2604, 2608).

e. 3883 FirstCaribbean Account: As shown in GX 2628, in or around November 2016, the 3883 FirstCaribbean Account received a wire transfer in the amount of \$130,000 from the 2701 FirstCaribbean Account. As described above, the funds in the 2701 FirstCaribbean Account, *see supra* ¶ 8(c), originated from several of the OneCoin Funding Accounts. (GX 2628).

f. 5346 FirstCaribbean Account: As shown in Exhibit F, on or about March 29, 2017, a wire transfer in the amount of \$100,000 was sent from the 2701 FirstCaribbean Account to the 5346 FirstCaribbean Account. As described above, the funds in the 2701 FirstCaribbean Account, *see supra* ¶ 8(c), originated from several of the OneCoin Funding Accounts.

g. 5343 FirstCaribbean Account: Based on my review of bank records, I have learned that on or about March 29, 2017, the 2701 FirstCaribbean Account sent approximately \$250,000 to the 5343 FirstCaribbean Account. As explained above, the funds in the 2701 FirstCaribbean Account originated in the 6102 DMS Account, which in turn was funded by several of the OneCoin Funding Accounts. (GX 2628).

h. RBC Accounts: As shown in Exhibit G, the 8611 RBC Account received a number of wire transfers between November 2016 and March 2018 from the following three accounts: the 2701 FirstCaribbean Account; the 7100 DMS Account; and the 5001 BOI Account. The three transfers from the 7100 DMS Account totaled approximately \$6,500,000; the one transfer from the 2701 FirstCaribbean Account was in the amount of €250,000.00; the four transfers from the 5001 BOI Account totaled £4,500,000.00 and €1,274,983. Furthermore, as set forth above, *see supra* ¶¶ 8(b), 8(c), 7(d), the funds in each of those three accounts originated from several of the OneCoin Funding Accounts. After the 8611 RBC Account received these incoming wires, numerous wires were sent out of the 8611 RBC Account to three additional RBC Accounts (“Intermediary RBC Accounts”). (Exhibit G). After those wires were sent to the Intermediary RBC Accounts, additional wires were sent out of the Intermediary RBC Accounts to the 3317 RBC Account and the 2214 RBC Account. (*Id.*). Based on the tracing described in this paragraph, I have learned that all of the wire transfers depicted on Exhibit G originated from funds from several of the OneCoin Funding Accounts.

i. 6032 JPMC Account: As shown in Exhibit L, on or about October 10, 2018, approximately \$1,750,000 was transferred from the 2214 RBC Account to an account at JPMC ending in 1037. Approximately a month and a half later, on or about November 28, 2018, \$1,750,000 was transferred out of the 1037 account to the 6032 JPMC Account. As described in the preceding paragraph, I have traced the funds in the 2214 RBC Account to several of the OneCoin Funding Accounts.

j. 6901 Dreyfus Account: As shown in GX 2628, the 6901 Dreyfus Account received two wires from intermediary Fenero Accounts, totaling approximately £2.5 million. Specifically, based on my tracing, I have learned that these two wires occurred on or about in February and March 2017 and originated from 5001 BOI Account. Furthermore, I have learned

from my tracing that the funds in the 5001 BOI account at Fenero originated from several of the OneCoin Funding Accounts. (*See* GXs 2612, 2628).

k. Northern Trust Accounts: Based on my financial tracing, I have learned that funds that originated from several of the OneCoin Funding Accounts were transferred through a series of intermediary accounts, and ultimately to the 2613 and 9434 Northern Trust Accounts. (*See* Exhibit H). Specifically, as to the 2613 Northern Trust Account, I have learned that between October 2016 and February 2017, the 2613 Account received approximately six wire transfers totaling approximately \$1,230,000 from the 8576 and 4760 BOI Accounts, and the 2701 FirstCaribbean Account. In addition, between in or around April 2017 and April 2018, the 9434 Northern Trust Account received one wire transfer each from the 0295 CNB Account and the 3210 CNB Account, which in sum totaled approximately \$1,650,000. As noted above, I have traced the funds in the 0295 CNB Account and determined that they originated from several of the OneCoin Funding Accounts. (*See supra* ¶ 7(j)). I have also learned through my tracing that between in or around April 2016 and May 2017, the 3210 CNB Account received approximately \$6,674,000 from the 3236, 3008 and the 0295 CNB Accounts. Furthermore, as set forth above, the funds in the 3236, 3008 and the 0295 CNB Accounts originated from several of the OneCoin Intermediary Accounts. (*See supra* ¶¶ 7(j), 8(c)). I have also traced approximately \$2,000,000 in funds that were sent on or about April 24, 2017 from the 2613 and 9434 Northern Trust Accounts to the 8797 Northern Trust Account. (*See* Exhibit H).

l. The UBS Accounts: As shown in Exhibit J, between in or around February 2016 and in or around June 2018, the UBS Accounts received numerous wire transfers that were transferred through a series of intermediary accounts controlled by Scott, all of which originated from OneCoin Funding Accounts. Specifically, as set forth on Exhibit J, the UBS Accounts received a series of eleven wire transfers from intermediary accounts totaling approximately

\$7,453,552 that originated from the 7102 DMS Account; the 8576 BOI Account; the 5001 BOI Account; and a OneCoin Funding Account ending in 0015. As set forth above, the funds in the 7102 DMS Account and the 8576 and 501 BOI Accounts all originated from OneCoin Funding Accounts. Among the funds transferred to the 1979 UBS Account was a transfer in the amount of \$1,000,000 on or about June 30, 2017 from the 9788 Sabadell Account. On or about July 31, 2017, there was also a transfer of \$500,000 from the 9788 Sabadell Account to the 5493 UBS Account. As set forth in Exhibit B, I have traced more than \$16,000,000 in funds that were transferred to the 9788 Sabadell Account in a series of wire transfers between in or around July 2016 through in or around May 2018. Those funds originated from the following intermediary bank accounts: the 8576 BOI Account; the 4760 BOI Account; the 5001 BOI Account; the 7100 DMS Account; the 5343 FirstCaribbean Account; the 2701 FirstCaribbean Account; and the 7102 DMS Account. (*See* Exhibit A). As set forth above, each of those accounts was funded by several of the OneCoin Funding Accounts.

m. 9048 Wells Fargo Account: As shown in Exhibit K, between October 2016 and April 2018, twelve wire transfers totaling approximately \$1,969,527 were sent from Scott-controlled accounts to the 9048 Wells Fargo Account. Based on my financial tracing, I have learned that those funds originated from the 8576 and 5001 BOI Accounts and the 7100 DMS Cayman Account. In some instances, the funds were transferred from those three accounts to intermediary accounts controlled by Scott before beings transferred to the 9048 Wells Fargo Account. As noted above, *see supra* ¶¶ 7(d) and 8(b), the 8576 and 5001 BOI Accounts and the 7100 DMS Cayman Account were funded by transfers that originated from the OneCoin Funding Accounts.

n. 9788 Iberia Account: As shown in Exhibit B, between in or around July 2016 and in or around May 2018, approximately \$16,523,635 was sent in a series of wire transfers that

originated from numerous accounts controlled by Scott to the 9788 Iberia Account. The \$16,523,625 in funds were sent to the 9788 Iberia Account from a number of accounts controlled by Scott including the 8576, 4760, and 5001 BOI Accounts; the 7100 and 7102 DMS Accounts; and the 2701 and 5343 FirstCaribbean Accounts. As described above, I have learned from my tracing that the funds in each of these accounts originated from several of the OneCoin Funding Accounts. Furthermore, as shown in Exhibit B, between in or around September 2016 and in or around August 2018, approximately \$14,414,828 was transferred out of the 9788 Iberia Account in multiple wire transfers on behalf of Scott. Among other things, those wire transfers were used for the purchase of real estate, a car, jewelry, yacht and home improvements. (*Id.*). As noted in Exhibit B, on or about October 31, 2017, the 9788 Iberia Account also received a wire transfer in the approximate amount of \$999,970.00 from an account at Dreyfus & Cie S.A., Switzerland in the name of Marietta Halle. Approximately twelve days later those funds were used to fund a portion of the purchase of the 105 Sunset Lane Property. (*See* GX 2619-E). As noted above, Scott funded the remainder of that purchase. The difference between the \$16,523,635 sent to the 9788 Iberia Account and the \$13,414,858 (excluding Ms. Halle's \$999,970.00 in funds) transferred out of the 9788 Iberia Account on behalf of Scott is approximately \$3,108,777. Furthermore, based on my review of a report of a law enforcement interview of Nicole Huesmann on or about September 5, 2018, I have learned that Huesmann informed the law enforcement agents that she still had approximately \$2.5 million of Mark S. Scott's money. I have also learned from members of the investigative team that those funds were provided from Huesmann to the Government in the form of a check in the amount of \$2,455,686.10.⁵

⁵ As shown in Exhibit B, approximately \$544,208.67 was sent in two wire transfers from the 9788 Iberia Account to another account in Huesmann's name at Iberia bank. When that amount is subtracted from \$3,108,777, it equals \$2,564,658.33, which is nearly the same amount that Huesmann indicated she had remaining of Scott's money. It therefore appears possible that

o. 1054 Cooperative Account: As noted above, *see supra* ¶ 8(n), approximately \$14,414,828 was transferred out of the 9788 Iberia Account in multiple wire transfers on behalf of Scott. Among those wires, in May 2017, the 9788 Iberia Account sent a wire transfer in the amount of approximately \$250,000 to the 1054 Cooperative Account. (*See Exhibit B*). In addition, or about January 17, 2019, approximately \$15,000 was sent from an account in Scott's name at Northern Trust ending in 1804 (the "1804 Northern Trust Account") to the 1054 Cooperative Account. On or about June 15, 2018, \$15,000 was sent to the 1804 Northern Trust Account from the 9434 Northern Trust Account. (*See Exhibit H*).

D. Substitute Assets

9. I have conducted an investigation into any assets of the defendant's that constitute proceeds of the offense or assets that may be available as substitute assets. During the course of my investigation, I have learned about the following bank accounts in Scott's name at UBS bank (the "Substitute Assets"):

Account Name	Financial Institution	Account No.	Estimated Balance
Mark S. Scott 2017 Trust	UBS	PW XXX53 (converted to Account No. 1X B0014 YA)	\$102,857.62
Mark S. Scott 2017 Trust	UBS	PW XXX31 (converted to Account No. 1X B0031 YA)	\$2,006,086.28
Mark S. Scott College Fund 529	UBS	Account No. [REDACTED] [REDACTED] 34 03	\$160,834.00
Mark S. Scott	UBS	Account No. [REDACTED] [REDACTED] 94 03	\$236,750.81
		Total	\$2,506,528.71

10. In addition, in order to locate any additional assets of the defendant, I conducted asset searches utilizing the CLEAR law enforcement database. All asset searches I performed

those two transfers from the 9788 Iberia Account to the 1046 Iberia account were on behalf of Scott.

yielded negative results.

11. To date, the only assets of the defendant's that I have been able to locate, other than the Subject Accounts and the Specific Property, are the Substitute Assets.

I declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the foregoing is true and correct.

Dated: New York, New York
August 31, 2020

Rosalind October
ROSALIND OCTOBER
Senior Financial Intelligence Analyst
New York County District Attorney's Office

EXHIBIT A

In The Matter Of:
UNITED STATES OF AMERICA, v.
MARK S. SCOTT,

November 18, 2019

Southern District Court Reporters

Original File JBI9SCOF.txt

Min-U-Script® with Word Index

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1 and the records contained on those disks into evidence.
2 MR. GARVIN: Also no objection.
3 THE COURT: They will be received.
4 (Government's Exhibits 68, 713, 828 received in
5 evidence)
6 MS. LOZANO: At this time the government -- and that
7 for the record was also signed, was a signed stipulation.
8 The next signed stipulation by the parties is
9 Government Exhibit 58 for property records, for real property
10 records that are contained on disk 3100. And the stipulation
11 details separate exhibit numbers for all of the records
12 contained on disk 3100.
13 The government now offers Exhibit 58 as well as the
14 disk 3100 as well as all of the records contained on that disk
15 detailed in the stipulation.
16 MR. GARVIN: No objection.
17 THE COURT: They will be received.
18 (Government's Exhibits 58 and 3100 received in
19 evidence)
20 MS. LOZANO: Additionally there is a signed
21 stipulation marked Government Exhibit 60, a stipulation
22 regarding searches and seizures. This stipulation details
23 certain exhibits that are being offered in connection with
24 searches of the defendant's residences.
25 At this time the government offers Exhibit GX60 as

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1 well as the exhibits detailed therein which are GX105, 106,
2 107, 108, 113, 114, and 115 into evidence.
3 MR. GARVIN: No objection.
4 THE COURT: They will be received.
5 (Government's Exhibits 60, 105, 106, 107, 108, 113,
6 114, and 115 received in evidence)
7 MS. LOZANO: And lastly, this exhibit which is GX55
8 for electronic data has already been admitted into evidence.
9 And pursuant to the stipulation the government is offering
10 three e-mails in connection with Ms. October's testimony and
11 those e-mails are Government Exhibit 1356, Government Exhibit
12 1440, and Government Exhibit 1453 into evidence.
13 MR. GARVIN: No objection.
14 THE COURT: They will be received.
15 (Government's Exhibits 55, 1356, 1440 and 1453
16 received in evidence)
17 ROSALIND OCTOBER,
18 called as a witness by the Government,
19 having been duly sworn, testified as follows:
20 DIRECT EXAMINATION
21 BY MS. LOZANO:
22 Q. Good afternoon, Ms. October.
23 A. Good afternoon.
24 Q. Sorry about that.
25 Where do you work?

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1 A. I currently work at the Manhattan district attorney's
2 office.
3 Q. In what capacity?
4 A. I am a senior financial intelligence analyst in the major
5 economic crimes bureau.
6 Q. And how long have you been the district attorney's office
7 in that role?
8 A. Approximately six years. Of those six years approximately
9 18 months I was a contractor with the Internal Revenue Service
10 but my location was at the district attorney's office.
11 Q. And you said you worked at the major economic crimes
12 bureau. Can you please describe the kind of work that the
13 major economic crimes bureau does in the district attorney's
14 office.
15 A. Sure. In the major economic crime bureau we handle large
16 long-term complex investigations involving white collar crimes,
17 money laundering crimes, tax fraud, various investor fraud.
18 Q. What are your responsibilities as a senior financial
19 intelligence analyst in the major economic crimes bureau?
20 A. Some of my responsibilities include open source research,
21 reviewing and analyzing bank records, reviewing records
22 obtained from MLATs, and conducting additional research and
23 reaching out to financial institutions for various follow-ups.
24 And that pretty much sums it up.
25 Q. Before you worked at the district attorney's office were

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1 you working or were you in school?
2 A. I was working.
3 Q. Where were you working?
4 A. I worked at a few law firms.
5 Q. What is your educational background?
6 A. I have a bachelor's in accounting.
7 Q. During your time at the district attorney's office have you
8 had the opportunity to receive any kind of professional
9 training or continuing education?
10 A. Yes, I have.
11 Q. In what areas?
12 A. So I regularly attend financial crimes symposiums. Several
13 of them are held throughout the year. And those are hosted by
14 various other law enforcement agents and I -- it's a discussion
15 with law enforcement about emerging trends surrounding
16 financial crimes and just kind of like new typologies that we
17 should be looking for.
18 In addition to that I attend monthly meetings,
19 external fraud meetings held at various financial institutions
20 around the New York City area. And at those meetings we engage
21 with the financial institutions to also learn about some of the
22 things that they're seeing in terms of money laundering and
23 other typologies that they would bring to us that we would keep
24 abreast of during our daily search.
25 Q. I direct your attention to approximately February of 2016.

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1 Where were you working at that time?
2 A. At the Manhattan district attorney's office.
3 Q. Did you have the opportunity to be assigned an
4 investigation related to a cryptocurrency known as OneCoin?
5 A. Yes.
6 Q. How did that investigation begin in your office?
7 A. The investigation came to us from a law enforcement tip
8 from the United Kingdom concerning some suspicious transactions
9 that were originating from a Mercury Effects Account held in
10 the name of Viola Asset Management. Those transfers were
11 coming into a Florida-based account. The owner was Gilbert
12 Armenta and the account names in question were Fates Group and
13 Zala Group.
14 Q. After you began working on this case did there come a time
15 where the district attorney's office and United States
16 attorney's office began working together on the investigation?
17 A. Yes. Approximately 13 months into our investigation we
18 were working parallel investigations and it was more useful for
19 us to pool our resources together and to be able to collaborate
20 since we were investigating the same targets.
21 Q. What was your role on the investigative team at that point?
22 A. At that time I participated in reviewing some of the
23 e-mails from the search warrant. And my primary role really
24 entailed financial tracing and reviewing thousands of bank
25 records and scheduling those accounts, looking through those

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1 accounts for other suspicious activity, having meetings with
2 the attorneys concerning those accounts and relaying my
3 findings to the attorneys on what are next steps if necessary
4 for additional subpoenas to be initiated and continuing the
5 financial tracing from those steps.
6 Q. What do you mean when you use the term financial tracing?
7 Can you define for us what that means.
8 A. Sure. So financial tracing is really digging into the
9 records, looking for the originator. Our concern is the source
10 of funds. Where is the money coming from? Who are the
11 beneficial holders of the accounts that's sending the money?
12 And where the money is ultimately going for, to the beneficiary
13 and for what purpose and the amounts of the transactions and
14 the time period of the transactions that would encompass
15 financial tracing.
16 Q. What kind of records do you review as part of the financial
17 analysis or financial tracing that you do?
18 A. So I generally look through the account opening documents
19 and I look through corporation records as well as bank
20 statements and the company wire details and brokerage accounts
21 as well and I look at property records.
22 Q. When you say account records, is that for bank accounts?
23 A. Yes. For bank accounts that we received pursuant to
24 compliance from subpoena responses.
25 Q. Where or do you receive also bank account records for

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1 international bank accounts?
2 A. That is correct. We have received what's called MLATs from
3 foreign jurisdictions for bank accounts that's held overseas.
4 Q. In the course of tracing the flow of funds how do you
5 confirm that certain financial transactions occurred?
6 A. Well whenever possible I like to look at the records from
7 both the originator and look at the records, if it's available,
8 for the beneficiary to see if there was a withdrawal from the
9 originator and then there's a deposit of some sort for the
10 beneficiary so the transaction is completed.
11 Q. How do you confirm who the accountholder or owner of an
12 account is?
13 A. Generally I go to look at the account opening documents and
14 contained in the account opening documents there's usually a
15 signatory card or also corporation records to indicate who the
16 beneficial owners of the accounts are.
17 Q. How do you memorialize or document the financial analysis
18 that you do as part of an investigation?
19 A. So I generally use excel spreadsheets and I parse out what
20 I would consider the relevant transactions from that
21 spreadsheet and just kind of keep a running tab of transactions
22 that we want to flag for -- to pursue like our financial
23 analysis.
24 Q. Aside from the spreadsheets do you then summarize all of
25 the data that's contained in the spreadsheets in a more concise

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1 or digestible form?
2 A. Yes, I do. So from -- once I have the spreadsheet then I
3 use a software program to import that data into charts. So the
4 charts are visual charts usually with a lot of arrows and icons
5 and showing the flow of funds.
6 Q. I'd like to ask you a little bit about the investigation in
7 broad terms. Generally speaking, kind of in a high level view,
8 what was the focus of your financial analysis in connection
9 with the investigation related to OneCoin?
10 A. Well it -- with this investigation there were -- there were
11 multiple jurisdictions so where the funds were coming from,
12 from the various different countries was the focus and where
13 the money actually ended up.
14 Q. In the course of that did you investigate and analyze
15 records related to any accounts held by Mark Scott?
16 A. Yes, I did. Extensively.
17 Q. And in the flow of the OneCoin money that you analyzed,
18 where were Mr. Scott's accounts?
19 A. (No response).
20 Q. Were they recipients or were they senders or both?
21 A. Both.
22 Q. And we'll get into more detail about that later.
23 Did your financial tracing in this case also involve
24 tracing funds that were sent by individuals who purchased
25 OneCoin funds and where the money went when they sent it to

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1 OneCoin?			1 A. Collectively close to four hundred million.		
2 A. That is correct.			2 Q. Were you also able to trace the money out of Fenero Funds		
3 Q. Which individuals?			3 accounts?		
4 A. So I looked at records in connection to Linda Cohen and a			4 A. Yes, I did.		
5 William Horn.			5 Q. And generally speaking, in broad strokes, where did you		
6 Q. Now you mentioned that you did analyze and receive records			6 trace that known money to?		
7 for accounts related to Mark Scott. What kinds of accounts			7 A. I was able to trace those funds into intermediary accounts		
8 were those?			8 also controlled by Mark Scott. It was MSS International		
9 A. So there were private equity accounts as well as personal			9 Consultants as well as other Fenero Bank of Ireland accounts.		
10 accounts and corporate entity accounts as well.			10 And that money was further traced to U.S. accounts held in Mark		
11 Q. And when you mentioned private equity accounts was -- did			11 Scott's name as well as MSS International Consultants LLC. And		
12 the defendant's private equity funds have a name?			12 money was also traced to Mark Scott's attorney's account,		
13 A. Yes.			13 Nicole Huesmann's IOLA account. And then there was funds		
14 Q. And what was that name?			14 traced also to foreign entities which were connected to OneCoin		
15 A. They were part of the Fenero group.			15 individuals.		
16 Q. And when you say the Fenero group, why do you use that			16 Q. Specifically, for example, which OneCoin individuals are		
17 term?			17 you referring to?		
18 A. Because there's multiple Fenero accounts related to the			18 A. So a lot of the funds were traced to Ruja Ignatova, Irina		
19 Fenero records. There's a Fenero Financial, Fenero Financial			19 Dilkinska.		
20 I, Fenero Financial II, Fenero Financial Switzerland.			20 Q. Are you aware, based on your involvement in this		
21 Q. Are there accounts in the name of Fenero Equity			21 investigation, who Ruja Ignatova is?		
22 Investments?			22 A. Yes. I understand her to be the leader at one time of		
23 A. And also Fenero Equity Investments as well and securities			23 OneCoin.		
24 trading.			24 Q. Now you mentioned that in general when you conduct		
25 Q. I'm sorry?			25 financial analysis you create spreadsheets and then develop		
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1 A. And securities trading.			1 charts or visuals?		
2 Q. Were you able to trace money transferred into and out of			2 A. Yes.		
3 the defendant's fund accounts between May of 2016 and			3 Q. In this case did you have the opportunity to create charts		
4 approximately July of 2018?			4 reflecting your financial analysis?		
5 A. Yes, I have.			5 A. Yes, I have.		
6 Q. And were you able to determine how many bank accounts			6 Q. Please describe how you compared those charts. And not		
7 funded the defendant's private equity fund accounts during that			7 each one individually but just overall how you prepared those.		
8 time?			8 A. I'm sorry. Repeat.		
9 A. Yes.			9 Q. Describe overall how you prepared those charts, the process		
10 Q. How many?			10 through which you prepared them?		
11 A. There were nine accounts that funded the -- funded four			11 A. Oh, so like I testified earlier the information is coming		
12 narrow accounts.			12 from my spreadsheet, my excel data, and then I put those into		
13 Q. So those nine accounts were not controlled by the			13 the chart, and then I use various different flags to represent		
14 defendant?			14 the countries that's affected where the accounts are held. And		
15 A. Correct.			15 I use various different arrows showing the flow of money,		
16 Q. Overall, big picture, how much during that period of time			16 whether it's going in -- what direction the money is flowing		
17 was transferred from those nine accounts into and through the			17 into. I've also indicated on the charts the dollar amounts and		
18 defendant's Fenero Fund accounts?			18 the dates of transaction so it would be easier to follow in		
19 A. I calculated 354 million euros and approximately 10 million			19 terms of time period of when the transactions occurred. And I		
20 U.S. dollars into the four Fenero accounts.			20 used also various symbols of banks and generic symbols		
21 Q. Can you estimate approximately how much that is all in, in			21 indicating figures of male or female.		
22 dollars?			22 Q. So to be clear the transactions that are reflected on your		
23 A. I'm sorry?			23 charts have been confirmed by you in your analysis of the bank		
24 Q. Can you approximate how much that amount, both the euro and			24 records and other documents?		
25 dollar together is in dollars?			25 A. That's correct.		

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1 MS. LOZANO: Mr. Barile I'd like to show Ms. October
2 and counsel and the court but not the jury at this time a
3 series of exhibits, if you can just scroll through the 36
4 exhibits, starting with -- and I'm going to ask you to take a
5 look at them, Ms. October, and whether you recognize them.
6 Starting with GX2601, 2602, 2602A, 2603, 2603A, 2604, 2605,
7 2606, 2607, 2608, 2609, 2610, 2611, 12, 2613, 2614, 2615, 2616,
8 2617A, B, D and E -- D, skip C, and E -- 2618, 2619, A, B, C,
9 D, E and F, 2620, 2621, 2622 and 23, 2626, 2627 and 2628.
10 Q. Ms. October, do you recognize these 36 exhibits?
11 A. Yes, I do.
12 Q. Actually I think it was 37, whatever it was.
13 What are they?
14 A. Those are visual charts that I created based on my
15 financial analysis.
16 Q. And did you prepare those charts consistent with the
17 description that you just gave us about creating charts?
18 A. That is correct.
19 But I would like to also add that the charts also
20 contain a source box and that source box references the bank
21 records or e-mails or the records that -- that supports the
22 chart.
23 Q. So the other exhibits that you relied on to create the
24 chart?
25 A. Correct.

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1 Q. And did you rely on different records for different
2 exhibits?
3 A. Yes.
4 Q. Does the chart -- well have you reviewed stipulations in
5 evidence regarding bank records and Bank of Ireland records?
6 A. Yes.
7 Q. And do all of the exhibits that are in your charts, are
8 they contained on either stipulation 52 or 68 or 53?
9 A. That is correct.
10 Q. Or otherwise are in evidence?
11 A. Yes.
12 Q. Does each chart fairly and accurately reflect a summary of
13 the financial analysis you conducted with respect to the
14 transactions contained in that chart?
15 A. Correct.
16 Q. And would these exhibits assist you in testifying today
17 about the financial analysis and tracing that you undertook in
18 connection with this investigation?
19 A. Yes, it will.
20 MS. LOZANO: I am now offering, your Honor, and I'm
21 not going to repeat all 36 numbers unless the Court would like
22 me to, I'm offering all of these charts into evidence.
23 THE COURT: Any objection?
24 MR. GARVIN: One moment, your Honor.
25 There is no objection.

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1 THE COURT: Very well. Those exhibits will be
2 received.
3 (Government's Exhibits 2601, 2602, 2602A, 2603, 2603A,
4 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612,
5 signed 2613, 2614, 2615, 2616, 2617A, B, D and E, 2618, 2619, A,
6 B, C, D, E and F, 2620, 2621, 2622, 2623, 2626, 2627 and 2628
7 received in evidence)
8 Q. You mentioned that the defendant's private equity fund
9 accounts were named various iterations of Fenero. Where were
10 those accounts located?
11 A. They were located in the Cayman Islands.
12 Q. Anywhere else? Did he have Fenero accounts anywhere else?
13 A. He also had Fenero accounts in Ireland.
14 Q. And when you mentioned the four Fenero Cayman accounts,
15 what are you referring to?
16 A. I'm referring to the Fenero Financial Investments, Fenero
17 Financial Investments I, Fenero Financial Investments II, and
18 Fenero -- sorry. Fenero Equity Investments, Fenero Equity
19 Investments I, Fenero Equity Investments II and Fenero
20 Financial Switzerland.
21 Q. And those were all Cayman-based accounts?
22 A. Yes.
23 Q. At what banks?
24 A. At DMS Cayman and Deutsche Bank.
25 Q. Did you have an understanding about the defendant's role in

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1 the Fenero Equity Investments funds and Fenero Financial
2 Switzerland fund?
3 A. Yes.
4 Q. What was his role?
5 A. I understand him to be the private equity manager for those
6 funds, for those accounts.
7 Q. Individually or through some sort of corporate entity?
8 A. Through corporate entities.
9 Q. Which was what?
10 A. The various financial Fenero accounts that I just
11 mentioned.
12 Q. Well my question is you said that the defendant was the
13 general partner or manager of the funds. Did he have a
14 corporate entity that served as the general partner or manager
15 or was it him individually?
16 A. Him individually.
17 Q. Are you familiar with an entity called MSSI BVI?
18 A. Yes.
19 Q. What was its role?
20 A. That -- those entities were intermediary accounts that
21 received funds from the Fenero accounts and Mark Scott was the
22 CEO and/or director of those MSSI accounts.
23 Q. So you earlier mentioned you traced approximately 400
24 million U.S. dollars into and then out of the defendant's
25 Fenero Funds through intermediary accounts. And during that

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1 process you identified international accounts as well, correct?
2 A. Yes.
3 Q. From and to what countries did you trace transfers related
4 to the Fenero Funds?
5 A. From Singapore, from Hong Kong, from Germany and --
6 Q. Go ahead. Sorry.
7 A. And Ireland.
8 Q. And to where?
9 A. To other Cayman-held accounts and Bank of Ireland.
10 Q. Were there transfers involving Hong Kong?
11 A. Yes.
12 Q. I'm going to show you --
13 MS. LOZANO: I'd like to pull up, Mr. Barile, 2627 and
14 publish that to the jury, please.
15 Q. What did this slide chart depict?
16 A. This chart depicts the overflow -- overall flow of funds
17 both incoming and outgoing and the various countries that were
18 either originators or beneficiaries concerning the
19 approximately four hundred million that moved through all of
20 these accounts.
21 Q. So can you walk us through the color coding? What do the
22 green arrows represent?
23 A. The green arrows represent the 354 million euros and the
24 approximately 10 million U.S. dollars that funded the four
25 Fenero accounts held in the Cayman Islands.

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1 Q. And how are the four Fenero accounts held in the Cayman
2 islands depicted on this chart?
3 A. It's depicted by the green arrows coming from Singapore,
4 Hong Kong, Germany and Bulgaria.
5 Q. And ending where? What's the icon for the Fenero Funds
6 account?
7 A. Just a little blue bank symbol with the Cayman flag
8 underneath it.
9 Q. Generally speaking in the Caribbean?
10 A. In the Caribbean, yes.
11 Q. What does the blue arrow represent?
12 A. The blue arrows represent intercompany transfers from
13 Cayman Islands to Ireland.
14 Q. And why all the intercompany transfers?
15 A. Because they are still related to accounts that Mark Scott
16 controls so the Bank of Ireland accounts also are Fenero
17 accounts as well as the Cayman Island accounts are also Fenero
18 accounts.
19 Q. What do the red arrows represent?
20 A. The red arrows represent the disbursement of funds and
21 where the money ultimately ended up, so the beneficiary of
22 those funds and where the location of the accounts that
23 received those funds.
24 MS. LOZANO: Your Honor, may I approach the witness
25 with an exhibit?

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1 THE COURT: Yes.
2 Q. Ms. October, I'd like you to take a look at what is marked
3 as 2627-BU and ask you whether you recognize it.
4 A. Yes, I do.
5 Q. What is that?
6 A. That's an enlarged copy of the exhibit that we are looking
7 at right now.
8 Q. And aside from being enlarged is there anything different
9 from 2627-BU, different from 2627?
10 A. No.
11 MS. LOZANO: Your Honor I you offer 2627-BU into
12 evidence.
13 MR. GARVIN: May we have a sidebar, your Honor.
14 THE COURT: Sure.
15 (Continued on next page)
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1 (At sidebar)
2 MR. GARVIN: Your Honor, I did not object and they're
3 already into evidence each and every one of the 36 charts. It
4 was my understanding that the enlargement itself was a
5 demonstrative aid. I didn't understand that it was going to be
6 a repetition of what was already into evidence being admitted
7 again and if that demonstrative is admitted again then of
8 course it would go back into the jury room at the end of the
9 trial.
10 So I do not object to counsel using the demonstrative
11 aid for the visual effect with the jury but I do object to
12 having it entered as an exhibit as opposed to a demonstrative
13 aid when the exhibit itself is already into evidence.
14 MS. LOZANO: Yes. Your Honor, first of all, the
15 exhibit itself is in evidence so substantively there can't be
16 an objection to the substance of it. And I did alert
17 Mr. Garvin and Mr. Devlin-Brown that I intended to offer the
18 blowup exhibits of specifically six different charts. I think
19 it's important especially for this chart to have it up and
20 available for the jury to refer to as she's testifying with the
21 more intricate detailed charts that break down each arrow.
22 MR. GARVIN: Again, I'm not objecting to the use of it
23 as a demonstrative exhibit. I'm objecting to it being an
24 actual exhibit when the chart already has been introduced.
25 THE COURT: And it's substantively identical.

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1 MS. LOZANO: It is.
2 THE COURT: I'll let it in.
3 (Continued on next page)
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1 MS. LOZANO: Mr. Barile, could we now post Exhibit
2 2602. And publish that to the jury as well.
3 Q. Ms. October, let's take a look at chart 2602. And first
4 could you please for this chart explain to us what the symbols
5 and the formatting represent, what you have used to represent
6 certain things on these charts.
7 A. Sure. So first I'll start with the flags. The flags
8 represent where the account -- the country where the account is
9 held.
10 Then on the top of the box contained in each box is
11 the account number just representing the last four digits of
12 the account number and the financial institution for where that
13 account is held.
14 Q. What's the name of the account? Where is that found?
15 A. The name of the account is above the box in bold with a
16 little symbol of an account.
17 Q. And the arrows represent what?
18 A. And the arrows in this case arrows are all pointing to the
19 four Fenero accounts listed on the bottom and they -- the
20 arrows represent incoming of funds and along the -- along the
21 arrow it's each transaction which entails the dollar amount and
22 the date of that transaction.
23 Q. For that specific account to the one at the arrowhead?
24 A. Correct.
25 MS. LOZANO: If we could highlight or zoom in on the

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1 (In open court)
2 (Government's Exhibit 2627-BU received in evidence)
3 MS. LOZANO: Your Honor.
4 THE COURT: I'm sorry. The exhibit is received. You
5 may proceed.
6 Q. I'm going to leave that there Ms. October for you to refer
7 to while you testify.
8 MS. LOZANO: Mr. Barile if we could now -- well, one
9 moment.
10 Q. You mentioned that the four Fenero Cayman accounts were
11 opened at Deutsche Bank and DMS. Who were the signatories on
12 those accounts?
13 MR. GARVIN: Excuse me, your Honor. May we have the
14 exhibit on the screen because all we're seeing is the back of
15 it.
16 THE COURT: Sure.
17 Q. Who was the signatory or who were the signatories on those
18 accounts?
19 A. Mark Scott for all of them.
20 Q. What is the significance of being a signatory on a bank
21 account?
22 A. The signatory has full authority and control over the
23 account. They can direct the bank to receive deposits and
24 direct the bank for withdrawals as well as direct the bank for
25 wires outside -- out and into the account.

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1 sourced box in this chart.
2 Q. Explain to me what that means.
3 A. So the sourced box relates to each exhibit that I referred
4 to and the exhibit references -- is reference from a particular
5 bank record.
6 Q. So let's talk about substance of this chart.
7 First of all, what is on the top box? On the top of
8 these charts there's a box with bolded wording. What does that
9 represent on your charts?
10 A. That represents a description of what the chart entails.
11 So for this particular chart it's described as funding of the
12 four Fenero accounts. The four blue-colored symbols with the
13 Cayman flag are receiving 354 million euros and 9,990,185 from
14 the time period of May to October 2016.
15 Q. And for clarity's sake even though we're all looking at the
16 chart, clarity for the record, we are talking about the four
17 bottom accounts on the bottom named what?
18 A. The four accounts on the bottom is Fenero Equity
19 Investments LP, Fenero Financial Switzerland LP, Fenero Equity
20 Investments Cayman I LP, Fenero Equity Investments II LP.
21 Q. And which ones are the ones held at DMS, the two on the
22 left?
23 A. The two on the left, accounts ending in 6102 and 84102.
24 Q. And what are the accounts on the top, those nine accounts?
25 A. (No response).

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1 Q. What do they represent?
2 A. Those are the source of funds and they represent
3 OneCoin-related entities.
4 Q. So just walk from left to right and please tell me the
5 names of these accounts and whether you know who the signatory
6 is on those accounts are?
7 A. Yes. So the IMS account held in at Commerce Bank in
8 Germany, the signatory is Rubenthal and Frank Ricketts. And
9 the second one is IMS account held at OCBC in Singapore also
10 held by Rubenthal and Ricketts.
11 And the next IMS account held at Deutsche Bank in
12 Germany, the same signatories would be Rubenthal and Ricketts.
13 And going -- moving to the right the account ending
14 6682 in Singapore, IMS PTE; also Frank Ricketts and Rubenthal.
15 And moving forward B&N Consult held at DSK Bank is
16 Irina Dilkinska.
17 And Star Merchant account held in Hong Kong at DBS
18 Bank also Irina Dilkinska.
19 And the IMS PTE Limited held at OCB Singapore is Frank
20 Ricketts and Rubenthal.
21 And the two more -- and the Morgan Stanley Fates Group
22 account held in the United States is owned by Gilbert Armenta.
23 And the last one Fates Group held at Sabadell Bank
24 also in the United States; signatory is Gilbert Armenta.
25 Q. And when we look at this chart, what is the most common

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1 denomination in terms of per transfer? How much is transferred
2 per transfer most commonly?
3 A. What's most common is five million dollar --
4 five-million-euro transfers.
5 Q. If we could look at 2602A. What is that? Is that the same
6 as 2602 except for one difference?
7 A. So it's the same chart containing the same information with
8 the exception that each account has an aggregate amount and an
9 aggregate amount of money that came into those accounts as well
10 as the number of wires listed.
11 Q. So just totals up all of the transactions that we saw in
12 2602?
13 A. Correct.
14 Q. So just going from left to right very quickly from IMS GmbH
15 the total of 35 million euros?
16 A. Yes.
17 Q. And how much from IMS Pte?
18 A. Ten million.
19 Q. And then what about IMS GmbH Deutsche Bank?
20 A. Forty million.
21 Q. How about into -- and we're talking about Fenero Equity
22 Investments LP account, we're still on the left side of the
23 chart -- it got from B&N Consult, how much?
24 A. It received 15 million euros.
25 Q. And how much did that Fenero Equity Investments LP receive

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1 from IMS Pte United Overseas?
2 A. 55 million euros.
3 Q. So now let's move over to Fenero Financial Switzerland LP
4 at DMS. It received from IMS Pte how much?
5 A. 60 million.
6 Q. The Deutsche Bank Fenero Equity Investments Payment One
7 received -- can you just go through what it received from B&N,
8 Star Merchant and IMS Pte?
9 A. Sure.
10 Q. Wait. I'm sorry. From IMS Pte. Yes.
11 A. It received 34.5 million euros.
12 Q. From the --
13 A. From the 6682 held in Singapore.
14 Q. And how much from B&N?
15 A. From B&N it was 4.5 million euros.
16 Q. Star Merchant?
17 A. Star Merchant was 95 million euros.
18 Q. And the IMS Pte at OCBC?
19 A. Five million euros.
20 Q. And lastly, the Fenero Equity Investments II LP held at
21 Deutsche Bank received how much from each of the Fates Group
22 accounts?
23 A. Approximately 10 million combined.
24 MS. LOZANO: We can now move to 2603. Publish that.
25 Q. Ms. October, describe to us what this chart depicts.

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1 A. This is a summary chart which shows the same time period,
2 July 2016 through -- actually July 2018 that the account was
3 funded by the 354 million euros and approximately 10 million
4 that we saw on the previous slide that funded the four Fenero
5 Cayman accounts. And then that money flowed into intermediary
6 accounts held at the Cayman and Bank of Ireland. There were
7 three Cayman accounts and four Bank of Ireland accounts that
8 received funding from the four Cayman accounts.
9 Q. So separate and apart from the original four Cayman
10 accounts that we saw on the previous chart?
11 A. Correct.
12 Q. And those intermediary accounts, who controlled those
13 accounts?
14 A. Those were all controlled by Mark Scott.
15 Q. Then we can go down to with two boxes on the bottom.
16 A. Then I broke out both two boxes, one for domestic accounts
17 and the one to the right contained foreign accounts. The
18 domestic accounts represent accounts held by Mark Scott or
19 affiliated entities of Mark Scott that received monies from the
20 accounts listed above. And the foreign accounts represents
21 entities connected to OneCoin affiliates.
22 Q. And if you add up all of the credits in the domestic
23 accounts box and the foreign accounts box does that amount
24 equal the credits that you listed at the top part of the chart
25 between funding accounts and Fenero Cayman accounts?

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1	A. Yes, it does.		1	the cross lengths. Many of them exceed our expectation.	
2	MS. LOZANO: We can next move to 2604.		2	THE COURT: Cross has been much, much less than the	
3	THE COURT: Before we do that, it's now 12:45. So		3	directs.	
4	we'll take our second break.		4	MR. FOLLY: Your Honor, we are on schedule within the	
5	(Continued on next page)		5	three-week timeframe that we estimated the case. We believe	
6			6	we'll either rest most likely tomorrow morning but certainly	
7			7	not later than that.	
8			8	THE COURT: OK.	
9			9	(Recess)	
10			10	THE COURT: So we'll take a half-hour break after we	
11			11	break at 2:30 and then we convene for the jury conference and	
12			12	the charge conference.	
13			13	MR. GARVIN: Your Honor, I did contact the witness.	
14			14	He's stuck in traffic but he anticipates being here by 1:30.	
15			15	So we'll just ask for a sidebar when the time comes.	
16			16	THE COURT: That's fine. Does he know where he's	
17			17	going?	
18			18	MR. GARVIN: He has somebody that's driving him.	
19			19	THE COURT: But does he know to come here?	
20			20	MR. GARVIN: Certainly.	
21			21	(Continued on next page)	
22			22		
23			23		
24			24		
25			25		
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1	(Jury not present)		1	(Jury present)	
2	THE COURT: Ms. October, you may step down.		2	THE COURT: Everyone please be seated.	
3	(Witness excused)		3	Ms. Lozano.	
4	Everyone can be seated. Anything for me?		4	MS. LOZANO: Thank you.	
5	MR. GARVIN: No, your Honor.		5	I think we were viewing GX2603. Pull that up.	
6	MR. FOLLY: Your Honor, we just wanted to inquire		6	Q. When we broke, Ms. October, I asked you whether totaling	
7	about the timing for the defense witness that we're taking out		7	all the amounts in the domestic accounts credits and the	
8	of turn. We had received an estimate of 1 p.m. We just wanted		8	foreign accounts credits would equal the credit line between	
9	to check if that is still when we should plan to interrupt.		9	funding accounts and the Fenero payment accounts and you said	
10	THE COURT: Is he here?		10	it would.	
11	MR. FOLLY: This witness.		11	From a back-of-the-envelope calculation, I'm asking	
12	MR. GARVIN: I haven't left my chair but I had		12	you to relook at those numbers and tell me whether they	
13	anticipated it would be at approximately 1 p.m. I'm going to		13	equal --	
14	go check right now.		14	MS. LOZANO: I'm sorry. Can you publish for the jury.	
15	THE COURT: OK. And how long will this person be on		15	Q. -- whether the numbers totaled up on the bottom boxes are	
16	the stand?		16	the -- equal a total credits between the funding accounts and	
17	MR. GARVIN: Very short. It's a character witness		17	the Fenero Cayman accounts?	
18	basically, your Honor, so it's going to be fifteen minutes, I		18	A. No, it does not.	
19	think, at most.		19	Q. Why doesn't it?	
20	THE COURT: OK. I'll be back. And we'll get just an		20	A. So based on my analysis in the domestic accounts there's	
21	observation. Do with it what you will. The government told me		21	approximately 950,000 that goes back to -- from the U.S.	
22	last week that they may have been able to close as early as		22	account back to the Cayman accounts. There was three transfers	
23	last Thursday and here we are.		23	that goes back to the Cayman accounts. And then from the	
24	How much longer?		24	foreign accounts there's approximately 40 million that goes	
25	MR. FOLLY: Your Honor, it's very difficult to predict		25	back out to the intermediary accounts.	

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1 Q. So they are counted in the totals here that ultimately --
 2 they were sent back?
 3 A. Correct.
 4 Q. Let me ask you this. In the foreign accounts totaled
 5 credits you described the accounts in there and I don't
 6 remember you saying that there were accounts in there that were
 7 controlled by Scott; is that correct?
 8 A. There were a few accounts controlled by Scott contained in
 9 the foreign totals, yes.
 10 Q. What jurisdictions and what names were those accounts?
 11 A. I believe there were in Switzerland and also the Cayman
 12 Islands.
 13 Q. Let me ask you one more question about this chart. You
 14 indicated earlier that there were accounts in the name of MSSI
 15 that were Scott-controlled. Where on this chart would those
 16 accounts be housed or boxed?
 17 A. Those could be contained in the domestic account box.
 18 Q. And how about the intermediary accounts? Are there any
 19 MSSI intermediary accounts?
 20 A. Yes. So there's an MSSI international consultants BVI in
 21 the intermediary box and in the domestic box is just MSSI
 22 Consultants LLC.
 23 Q. Now you also mentioned the name of an attorney or the name
 24 Nicole Huesmann as an account that resides in the domestic
 25 account box. Who is Nicole Huesmann?

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1 A. I understand her to be a real estate attorney for Mark
 2 Scott.
 3 Q. Let's now focus on one of the Fenero Cayman accounts and
 4 break down that account.
 5 MS. LOZANO: If we could go to 2604.
 6 Q. Ms. October, what does this chart depict?
 7 A. This chart depicts one of the four Fenero accounts and --
 8 Q. When you say one of the four?
 9 A. (No response).
 10 Q. Just to be clear?
 11 A. One of the four -- one of the four funding accounts held in
 12 the Cayman Islands.
 13 Q. The two in DMS and the two at DB?
 14 A. Correct.
 15 Q. At Deutsche Bank.
 16 A. At Deutsche Bank and DMS Cayman. Also this is one of the
 17 accounts that's held at DMS Cayman.
 18 Q. And that is in the name of what?
 19 A. In the name of Fenero Equity Investments LP.
 20 Q. And the account number on this one is?
 21 A. Ending in 6102.
 22 Q. And this account received money from a selection of the
 23 nine funded accounts; is that right?
 24 A. That's correct.
 25 Q. From which nine -- from which of the nine?

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1 A. It received monies from the IMS GmbH account, IMS Pte
 2 account, B&N Consult.
 3 Q. And who is the signatory for the 6102 Cayman Fenero Equity
 4 Investments LP account?
 5 A. That's Mark Scott.
 6 Q. What does this chart represent in terms of a time period
 7 for transfers?
 8 A. So it represents a time period of June through August of
 9 2016.
 10 Q. For incoming?
 11 A. For incoming, yes.
 12 Q. And how about for outgoing from Fenero Equity Investments
 13 LP?
 14 A. From outgoing it covers the time period from June 2016
 15 through February 2017.
 16 Q. So how much total through your analysis did you trace
 17 coming into Fenero Equity Investments LP from IMS GmbH, IMS Pte
 18 and B&N Consult during that period of time?
 19 A. From the three accounts, there's 155 million euros coming
 20 into that account.
 21 Q. Can you walk us through, please, where that money went
 22 after it hit Fenero Equity Investments LP account?
 23 A. Sure. The funds were later disbursed, we're going to go
 24 from left to right. The left side in the blue circles with the
 25 Cayman flag represents some of the intermediary accounts that

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1 received some of the funding and the one 4102 which transfers
 2 from one of the four Fenero accounts that --
 3 Q. So 4102, to be clear, is one of the four that received from
 4 the nine IMS, B&N --
 5 A. Correct.
 6 Q. -- groupings.
 7 A. Yes.
 8 Q. So that gray line to the left that says transfer for wires
 9 49,999,310, that represents what?
 10 A. (No response).
 11 Q. Why is it gray?
 12 A. It's grayed out to avoid double counting. So the 155
 13 million is already incorporated. So it's just a transfer to --
 14 an intermediary transfer from one Cayman account to another
 15 account. So the 49 million was already accounted for.
 16 Q. So then let's go down and talk about the other accounts
 17 listed here. There is a First Caribbean International MSSI
 18 operating account. And it indicates that is a U.S. dollar
 19 account?
 20 A. Yes.
 21 Q. How much did it receive from Fenero Equity Investments LP?
 22 A. It received two transfers, approximately 78,000 euros.
 23 Q. How about the MSS International Consultants BVI account,
 24 7100. How much did that receive?
 25 A. That was one of the intermediary accounts. It received one

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1 transfer for 321,000 euros, approximately.
2 Q. Then we have another DMS Cayman account. This is an MSS
3 International and it received it looks like a total of five
4 wires of varying amounts?
5 A. Correct.
6 Q. What is the icon with an American flag, what's that
7 account?
8 A. That account is an account owned by Mark Scott held at City
9 National Bank. So it's a U.S. account in Florida.
10 Q. And it received two transfers, one of -- approximately 250
11 million euros -- I'm sorry 250,000 euros and one of 16,000
12 euros.
13 Then we move over to Lloyds Bank Payment Card
14 Technologies. Can you just tell me what is that icon? I can't
15 really make it out.
16 A. The icon just represents a financial institution.
17 Q. OK. So how much did you trace going from Fenero Equity
18 Investments LP to Payment Card Technologies?
19 A. \$1,976,294.
20 Q. 84?
21 A. 84.
22 Q. And 58 cents?
23 A. And 58 cents yes.
24 Q. On June 23, 2016?
25 A. Yes.

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1 Q. And then what's the one right above that to the right?
2 A. To the right it's an account Barta Holdings held at a DBS
3 Bank in Hong Kong which received 35 million U.S. dollars on
4 July 13, 2016. One transfer.
5 Q. By the way did you ever see that money coming back into
6 Fenero Equity Investments, that 30 million?
7 A. Not from the -- not from the Barta Holdings.
8 Q. What about the Bank of Ireland Fenero Equity Investments
9 Ireland account?
10 A. So that account was one of the intermediary accounts that
11 received one transfer totaling 960,000 euros on August 19,
12 2016.
13 Q. And how about above that?
14 A. Another intermediary account held at the Bank of Ireland in
15 the name of Fenero Equity Investments received 1.2 million
16 euros on September 22, 2016.
17 Q. And now the top one on the right Bank of Ireland Fenero
18 Equity Investments Ireland ending 4760. It received four
19 transfers. Can you tell me approximately how much of those
20 four transfers totals together.
21 A. A little over 60 million euros.
22 Q. So is that the account that received the most from the
23 Fenero Equity Investments LP account?
24 A. That is correct.
25 Q. Now, did you do this same exercise for the three other

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1 Fenero Cayman accounts, the Fenero Financial Switzerland,
2 and -- held at DMS and then the two Fenero accounts, Fenero
3 Equity accounts at Deutsche Bank?
4 A. Yes, I did.
5 Q. And are those charts -- did you also do them by the way for
6 the intermediary accounts, some of which you've identified on
7 this chart, the MSS International, the Bank of Ireland
8 accounts, did you do further tracing once the money hit there?
9 A. Yes. I created a chart, an individual chart for each
10 account representing the inflow and the outflow of funds.
11 Q. And are those charts all in evidence? Were those some of
12 the charts that you reviewed when you started testifying and we
13 moved into evidence?
14 A. Yes. They would be one of the 37 charts.
15 Q. So let's look -- we're not going to look at all of them.
16 We're just going to look at one more representative sample
17 because they are all in evidence of 2607 and you can tell me
18 what that is.
19 A. (No response).
20 Q. Which -- was -- I'm sorry. You tell me what it is. Sorry.
21 A. The 2607 is an illustration of one of the Bank of Ireland
22 intermediary accounts held in the name of Fenero Equity
23 Investments. And the top part of the chart shows the arrows
24 coming into, pointing to the 4760 and represents the --
25 represents four of the DMS or MSS International accounts also held by Mark

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1 Scott as well as a transfer of approximately ten million
2 dollars from IG markets.
3 Q. So up here on the left, just to connect up the chart we saw
4 before, up here on the top left is the DMS Cayman Fenero
5 Financial Switzerland account 4102. And is that the account
6 that we saw tracing for, in our previous chart, which was 2604,
7 was that the one that we were focused on?
8 A. I believe so.
9 Q. And so this -- well can we just go back to 2604 for one
10 minute.
11 So that's -- this chart, 2604, is for DMS Cayman
12 Fenero Equity Investments ending 6102; is that right?
13 A. Yes.
14 Q. And then we have a transfer of approximately how much to
15 the Bank of Ireland 4760 account?
16 A. Well there's four transfers: 7.3 million, 17 million, 40
17 million, and 400,000.
18 Q. So now we can go back let's look at 2607 now.
19 So this account receives -- this Bank of Ireland
20 account which you consider an intermediary account receives
21 from how many different Fenero accounts?
22 A. There's one, two, three, four -- four Fenero -- actually
23 five Fenero accounts but there's one on the left side -- on the
24 right side.
25 Q. So all the way on the right side though is the Fenero

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1 Equity investment 6102 that's we just saw on the chart?
2 A. Correct.
3 Q. So that's how it connects up?
4 A. Yes.
5 Q. So the arrow from the prior chart that went from 6102 to
6 4760, you then trace 4760 where that money went, right?
7 A. Correct.
8 Q. So let's take a look at this chart and you indicated there
9 is a -- an outgoing arrow to the left to MSSI International
10 consultants. What is that?
11 A. That's one of the intermediary accounts, MSSI International
12 consulting, ending in 7100, that received a transfer of
13 1,499,961.20 on February 22, 2017.
14 MS. LOZANO: We can minimize that.
15 Q. And then once the -- explain what the account to the right,
16 Bank of Ireland, Fenero Securities Trading, those arrows
17 represent and those totals?
18 A. Sure. So the account ending in 9811 is also another
19 intermediary account. And the dollar amounts in red represents
20 inflows of funds that that account received from the 4760 and
21 the blue arrow represents the 9811 transferring back to the
22 4760. Three transfers.
23 Q. So coming back to the center account. You indicated via
24 arrows transfers to multiple different accounts. Can you go
25 through just quickly and tell us what the names of those

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1 accounts are and where they're located.
2 A. So going from left to right there is an account, Ocean --
3 Ocean State Ventures Limited. And that account I believe is
4 held in the United Kingdom.
5 Q. And then there is Piraeus Bank?
6 A. Piraeus Bank held in the name of Vida Home. And that's
7 located in Bulgaria.
8 Q. And then Invest Bank?
9 A. Invest Bank LBD AD also is held in Bulgaria.
10 Q. Peregrine Law Client Account at Metro Bank PLC. Where is
11 that?
12 A. I believe that's located in the United Kingdom.
13 Q. And the Open Mark Bulgaria EOOD Invest Bank?
14 A. Is an account held in Bulgaria.
15 And the Sabadell United Bank in the name of Nicole
16 Huesmann. That's a US-based account.
17 Q. There are four other US-based accounts with flags?
18 A. Right. So there's four other accounts with -- colored in
19 orange which represents those are accounts that Mark Scott is
20 the signatory on. And those accounts are either held in the
21 name of Mark Scott or MSSI International Consultants and Mark
22 Scott PL.
23 Q. Then we have Bank of Ireland IG Markets?
24 A. Then you have -- yes. So there's three Bank of Ireland
25 accounts. This represents the intermediary accounts that

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1 received transfers from the 4706. The accounts are ending in
2 5001, 7958 and 8576.
3 Q. Then the two icons, I guess, or structures, are Bank of
4 Ireland IG markets and Lloyds Bank Payment Card Technologies?
5 A. Yes.
6 Q. So we zoom out. I'm not going to go through every one of
7 these numbers. Each arrow, consistent with your other charts,
8 lists the wires that were sent and the amounts that each wire
9 to each of those individual accounts?
10 A. Right. So it lists every individual transaction by the
11 dollar amount and the transaction date.
12 Q. OK. And so I want to compare this chart to the overall
13 world chart so you can show me the -- before we move to it, I'm
14 going to ask you what arrow represents the top part of this
15 chart going to the Bank of Ireland account and what arrow or
16 arrows represent the bottom part of this chart, of the
17 intermediary account sending to accounts in Bulgaria, the
18 United States and Ireland.
19 MS. LOZANO: So if we can go back to 2627.
20 Q. The Ireland account received money according to your chart
21 from multiple Fenero payment accounts. Where is that arrow
22 reflected on this chart?
23 A. That would be reflected in the intercompany transfers, the
24 blue arrow.
25 Q. And then once the money was received in the Fenero Equity

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1 Ireland account as you just testified it was sent to multiple
2 accounts in different jurisdictions including Bulgaria, the
3 United Kingdom, Ireland, the United States. Where are those
4 arrows?
5 A. Those arrows would be indicated in red as the outgoing
6 funds.
7 Q. And to be clear where is the Fenero Ireland account
8 represented on this chart?
9 A. It's represented in -- with the Ireland flag.
10 Q. So the blue icon looks like a bank with the Irish flag on
11 it?
12 A. Yes.
13 Q. And to be clear when you're saying those transactions that
14 we just looked at are represented by these arrows, these arrows
15 don't include -- I'm sorry. Those transactions are not the
16 only transactions included in these arrows, right?
17 A. Correct.
18 Q. You can take that down.
19 Can we put back 2607.
20 We were talking about the transfers between Fenero
21 Equity Investments Ireland and Fenero Security Trading Ireland
22 account. There seem to be transfers going both ways. Is that
23 fair to say?
24 A. That is correct.
25 Q. Have you totaled up approximately how much was going from

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1 Fenero Equity Investments Ireland to Fenero securities trading?
2 A. It's approximately a hundred and 54 million euros.
3 Q. And how much was sent back?
4 A. Approximately 3.6 million euros.
5 Q. And did you trace the money, the 154 million that was sent
6 from Fenero Equity Investments Ireland to Fenero Securities
7 Trading LTD once it hit the Fenero securities trading LTD
8 account?
9 A. That is correct. I did further tracing for that account.
10 Q. Where did the majority of that money end up being sent?
11 A. The majority of the funds which included transfers from two
12 other DMS accounts ultimately ended up in an account held at
13 Phoenix, Phoenix fund.
14 (Continued on next page)
15
16
17
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1 Q. If we could move to chart 2622 at this point.
2 MR. GARVIN: Your Honor, please the Court. One very
3 short witness that we had talked about is here, and counsel
4 advises me this would be a good place for a temporary
5 interruption of this witness.
6 THE COURT: Ladies and gentlemen, as I'm sure you
7 observed, trials come in different bits and pieces. Different
8 documents, different people. Sometimes for the convenience of
9 a particular witness we take a witness out of turn so that he
10 or she can meet certain travel commitments. So what we are
11 going to do now is suspend the testimony of Ms. October, you
12 may step down. The defense will call a witness. Government
13 hasn't rested. But the defense going to call a witness out of
14 turn. Okay?
15 Mr. Garvin.
16 MR. GARVIN: Your thank you, your Honor. At this time
17 Mr. Scott will call Miguel Diaz de la Portilla.
18 THE COURT: Make sure Ms. October doesn't go far.
19 MIGUEL DIAZ de la PORTILLA,
20 called as a witness by the Defendant,
21 having been duly sworn, testified as follows:
22 DIRECT EXAMINATION
23 BY MR. GARVIN:
24 Q. Good afternoon, sir.
25 A. Good afternoon.

JB13SCO4 de la Portilla - Direct Page 1584

1 Q. Would you please tell the ladies and gentlemen what your
2 occupation is, sir.
3 A. I'm an attorney.
4 Q. Just a little bit of your background. Where did you go to
5 school at, sir?
6 A. Well, I was born and raised in Miami. I went to school at
7 the University of Miami for undergrad, majoring in philosophy
8 and English literature. Graduated from the University of Miami
9 School of Law in 1987.
10 Q. Upon leaving school, did you immediately become a lawyer or
11 did you endeavor in any other fields?
12 A. I immediately became a lawyer, and have been a practicing
13 lawyer, member of the Florida bar since 1987 in good standing.
14 Q. Can you please tell the ladies and gentlemen what law firm
15 you worked with presently.
16 A. I work with law firm by the name of Saul, Ewing, Arnstein &
17 Lehr.
18 Q. Can you give us a general idea of the type of practice you
19 have at that law firm?
20 A. Sure. I am a land use and zoning lawyer.
21 Q. What does that mean?
22 A. What that basically means is I work with property owners
23 and developers to develop real estate, to develop property,
24 whether they be commercial projects or multifamily mixed use
25 projects.

JB13SCO4 de la Portilla - Direct Page 1585

1 Q. How large of a firm is the firm that you currently work in?
2 A. I think we have approximately 415, 420 lawyers, something
3 like that. The number changes, you know.
4 Q. Have you worked with other law firms prior to the law firm
5 you are working with now?
6 A. I have.
7 Q. Can you give us an example of some of the other law firms?
8 A. Sure. I've, well, I worked at Duane Morris. Duane Morris
9 is the based out of Philadelphia. That's a bit larger, that's
10 about 800, 900 lawyers. I worked at another local firm from
11 Miami that became a national firm, Adorno & Yoss, and I also
12 worked at a regional firm which I believe they have now have
13 offices in New York, that was called Becker Poliakoff.
14 Q. While working at Becker Poliakoff, did you happen to ever
15 meet a person by the name of Mark Scott?
16 A. I did.
17 Q. Mark, could you please stand up.
18 Is this the person that you're referring to, the Mark
19 Scott that you met?
20 A. Yes, although he is a little heavier now.
21 Q. Can you tell the ladies and gentlemen approximately what
22 year that was?
23 A. That was approximately 2007.
24 Q. Did you have an opportunity to work with Mark Scott either
25 while at Becker Poliakoff or subsequent?

JB13SCO4 de la Portilla - Redirect Page 1606

1 correct?

2 A. I've never seen those documents until now.

3 Q. But, as a lawyer, have you ever come across a document that

4 had a typo in it, that had a wrong percentage, and that you

5 were forced to correct it before you presented it to the

6 ultimate party?

7 A. Of course. That's very common. Documents are amended all

8 the time.

9 Q. Sir, with regard to the people that were just mentioned and

10 the entities that were just mentioned, you have no knowledge or

11 exposure to any of them, correct?

12 A. No, I've never met any of them. I had never heard their

13 names until now.

14 Q. One person that you had a lot of exposure to would be

15 Mr. Mark Scott; is that correct?

16 A. Yes.

17 Q. And the fact that Mr. Scott supported you for your campaign

18 and made contributions totaling \$3,000, would that in any way

19 be justification for you to get on this stand in front of this

20 honorable court, here in New York, and tell the ladies and

21 gentlemen of the jury something that wasn't 100 percent the

22 truth?

23 A. No, of course not. That's a ridiculous statement, and I am

24 an officer of the court. I am an attorney. I am an attorney

25 in good standing and have been so for 32 years. I served as a

JB13SCO4 October - Direct Page 1607

1 public servant. I think that was a noble calling and a noble

2 cause, and I served honorably in my time in the Florida Senate

3 and on the County Commission in Miami Dade County, and I'm very

4 proud of that service, and I'm very proud of my own reputation

5 for integrity and honesty.

6 Q. What is your opinion, sir, of the reputation of Mark Scott

7 for honesty and law-abidingness?

8 A. I've always known Mark to be an honest and law-abiding

9 person. Citizen.

10 MR. GARVIN: Thank you. I have no further questions.

11 THE COURT: Mr. de la Portilla, you may step down.

12 THE WITNESS: Thank you, your Honor.

13 THE COURT: Safe travels and let's get Ms. October

14 back on the stand.

15 (Witness excused)

16 THE COURT: Ms. October, welcome back.

17 THE WITNESS: Thank you.

18 THE COURT: And Ms. Lozano, you may proceed.

19 MS. LOZANO: Thank you, your Honor. Mr. Barile, can

20 we display 2622, please, and publish it to the jury.

21 BY MS. LOZANO:

22 Q. Ms. October, when we broke, you were discussing an entity

23 by the name of Phoenix Fund. Please explain to us what chart

24 2622 reflects.

25 A. So this chart reflects some of the intermediary transfers

JB13SCO4 October - Direct Page 1608

1 which consist of Cayman and Fenero Ireland accounts. Two

2 accounts from Fenero Ireland and one from the Cayman.

3 Collectively those three accounts submitted transferred 11

4 wires totaling \$194 million from January to April 2017.

5 Q. To what account?

6 A. And that -- and those funds were transferred to the Fenero

7 Bank of Ireland account ending in 9811.

8 Q. Let me, before we go on to where the money went from there.

9 To be clear, in the Fenero Cayman accounts box and the Fenero

10 Cayman Fenero Ireland box, and the Fenero Bank of Ireland box,

11 the three middle boxes, who is the account holder for all of

12 those accounts?

13 A. Mark Scott.

14 Q. Once the 194 million euros were transferred to the Bank of

15 Ireland Fenero account ending 811, what did you trace, where

16 did you trace the money to?

17 A. I traced the funds going to Phoenix Fund Invest held in the

18 United Emirates. They were 11 wires totaling 185 million.

19 Q. You said that was located where?

20 A. In the United Emirates.

21 Q. All right. Were you able to trace the money from there or

22 is that where your tracing ended?

23 A. My tracing ended. I didn't have visibility into the

24 Phoenix Fund account.

25 MS. LOZANO: Mr. Barile, if we could display 2622, GX

JB13SCO4 October - Direct Page 1609

1 2622. I'm sorry. 2620. I'm sorry.

2 Q. Ms. October, what is this overwhelming chart?

3 A. So, this chart is an illustration of what I would call a

4 cascading flow of funds from where the initial funding happened

5 in the top box, from the nine -- the nine separate entities

6 that funded the four Cayman Fenero entities that I previously

7 testified to. That account received 354 million euros and

8 approximately 10 million U.S. And that those funds were later

9 transferred to seven intermediary funds consisting of three

10 accounts held at DMS in the name of MSSSI, and then there's four

11 Bank of Ireland accounts held in various forms of Fenero. And

12 then there's the accounts further going down is broken out into

13 two separate boxes, one for domestic transfers, and one for

14 foreign transfers. The foreign -- the domestic transfers are

15 accounts held in the name of Mark Scott, which is represented

16 by the orange colored circles with the American flag. And it

17 also includes the Nicole Huesmann account which received moneys

18 from either one of the Fenero or MSSSI accounts. And

19 highlighted in the green text box are three accounts that

20 actually ended up sending money back to one of the intermediary

21 accounts, totaling approximately \$950,000 U.S.

22 Q. Can we zoom out so we can see where that -- so you were

23 focusing on the green box on the left?

24 A. Yes.

25 Q. And where did you direct the arrow?

JB13SCO4 October - Direct Page 1610

1 A. So I directed it back to the intermediary box that the
2 funds went back into, one of those seven accounts.
3 Q. Okay. And is there also an indication on the foreign
4 account box of such a return to the intermediary accounts?
5 A. Yes. So also highlighted in green are two accounts, one is
6 a Cowen account and IG Markets accounts. Three wires from
7 Cowen totaling approximately 30 million euros, and two wires
8 from IG Markets totaling approximately 10 million euros, for a
9 total of about 40 million euros going back to one of the
10 intermediary accounts located above.
11 Q. So do those fluorescent green boxes and lines back up, are
12 those the returns to the intermediary accounts that you were
13 discussing when you were explaining the differences in a prior
14 chart between the totals --
15 A. Right.
16 Q. -- reflected in the bottom and the total coming into the
17 four Fenero accounts?
18 A. Correct. And I'd like to continue with the foreign box.
19 Q. Yes.
20 A. I isolated by color coding the various different countries
21 that funds went, that funds went to. So, the account on the
22 far left is highlighted as in bold accounts controlled by
23 Scott. And those include two Cayman accounts, one held -- one
24 in the name of EDG Investments, held at First Caribbean. And
25 HIT Holding held at RBC Dominion Securities, and then there is

JB13SCO4 October - Direct Page 1611

1 a Swiss account held in the name of Mark Scott that received
2 two wires totaling 2.5 million.
3 Q. And those accounts, those three accounts are controlled by
4 the defendant?
5 A. Those are all, those three accounts are all controlled by
6 Mark Scott.
7 Q. The rest of the accounts that are in this box represent
8 what?
9 A. So, the accounts represents various different countries
10 that were the beneficiaries of the funding from either the MSSSI
11 or Fenero accounts, so we have other Cayman accounts, DRP
12 Holding, MSSSI Marine, and Mumbelli, and moving towards the
13 right, there is a box of beneficiaries located in the United
14 Kingdom. There is a four accounts located in that box with
15 indications of the dollar amounts for each account received,
16 and the name and the financial institutions where those
17 accounts are held.
18 And then all the way to the right, is in the orange is
19 three transfers that go to Bulgaria, totaling approximately \$65
20 million and that includes Vida Home, LBJAD, and Openmark
21 Bulgaria. Collectively, Bulgaria in these three accounts
22 received \$65 million consisting of eight wires. And scattered
23 independently are additional accounts that I talked about
24 earlier for Phoenix which received the 11 million in the UAE
25 which is in between the -- no, not that one.

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1 Q. Between --
2 A. In between the blue and the pink colored box. That
3 represents the \$185 million, million euros, that the Phoenix
4 Fund located in UAE received from one of the Fenero or MSSSI --
5 one of the Fenero accounts.
6 Q. And the account under that, under the Phoenix Fund, is
7 what?
8 A. That's an account called titled Barta Holdings that
9 received a \$30 million U.S. wire transfer at DBS Bank located
10 in Hong Kong.
11 Q. Now, is it your understanding that that transfer related to
12 a purported loan?
13 A. Yes, that's my understanding.
14 Q. In your financial analysis of all of the records in this
15 case, did you find any evidence that that \$30 million was ever
16 repaid to any of the Fenero or MSSSI accounts or at all?
17 A. My financial tracing did not indicate any return of those
18 funds.
19 Q. So what I'd like to ask you, there were two accounts and I
20 believe they were highlighted in foreign account box with
21 green. Cowen and IG Markets. Fluorescent green. And what is
22 your understanding about what Cowen International Limited is,
23 what kind of firm is it?
24 A. My understanding is that it's an investment firm.
25 Q. What about IG Markets General?

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1 A. The same.
2 Q. And aside from those two accounts that received money from
3 the Fenero and MSSSI account, did you see any other evidence of
4 any other accounts for investment firms receiving money?
5 A. No, I did not.
6 Q. The return arrow for Cowen and IG represents a return to
7 Fenero or MSSSI accounts?
8 A. Yes.
9 Q. Fenero accounts?
10 A. Fenero accounts, yes.
11 Q. Fenero accounts.
12 And in your financial analysis, were you able to
13 determine how much money total was sent into the Cowen and IG
14 Markets accounts and then how much was returned out?
15 A. Yes.
16 Q. What was that? Break them down. Do Cowen first and then
17 IG, please.
18 A. Cowen consisted of three wires totaling \$30 million. And
19 the IG Markets consisted of two wires totaling \$10 million.
20 Q. Are we talking about dollars or euros?
21 A. I'm sorry. Euros.
22 Q. What was returned to the Fenero account from Cowen?
23 A. So it's 40,020,286.36 euros.
24 Q. So, the difference between what was sent to these two
25 investment firms and what was sent back was a total of a little

JB13SCO4 October - Direct Page 1614

1 over \$20,000?

2 A. 20,286 euros.

3 Q. Then I think we stopped at those two boxes. What does the

4 bottom tier of boxes represent?

5 A. So, the bottom tier of boxes represents the final

6 destination of funds, and what items were purchased by using

7 those lower funds. So we go from the left side, the left side

8 represents a real estate box, and there are, there were three

9 real estate transfers, three real estate purchases, and one

10 condo where the mortgage was paid off using the funds.

11 Q. To be clear, when you say that tier represents where the --

12 the purchases that were ultimately made, by whom?

13 A. By Mark Scott.

14 Q. Okay. So what is the second box from the left?

15 A. The second box from the left represents various other

16 purchases, which includes various different watches from a

17 number of different jewelers, various different handbags, there

18 is also a diamond bracelet that was purchased, and an emerald

19 cut engagement ring that was purchased for about \$120,000. And

20 a gift car, Mercedes Benz, for Nicole Huesmann.

21 Q. Let's go to the next box and we'll talk more in detail

22 about all these purchases. What does that box represent?

23 A. This box represents 16 watches that was purchased from one

24 jeweler known as Time Piece in Florida. And the watches range

25 from 5,000 to \$35,000.

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1 Q. Okay.

2 A. Date range from January 2015 to about February of 2018.

3 Q. Let's go to the last box on the bottom of the right.

4 What's in that box?

5 A. The last box represents vehicles that were purchased for

6 Mr. Scott as well as a yacht purchased for Mr. Scott.

7 Q. Vehicles purchased for Mr. Scott or by Mr. Scott?

8 A. By Mr. Scott.

9 Q. And for Mr. Scott?

10 A. And for his use, yes.

11 Q. All right. How did you determine what purchases to include

12 in these bottom, the bottom tier of boxes?

13 A. Based on the value of the purchases. Of course I did not

14 include more of the lower end purchases, but what stuck out to

15 me was more of the higher end value of items purchased.

16 Q. But the money that was used to make these purchases was

17 traced back to where?

18 A. They were all, all traced back to the original source of

19 funds from the funding of the four -- one of the four Fenero

20 accounts.

21 Q. From the nine accounts?

22 A. From the nine accounts that funded the four Fenero accounts

23 that later funded transfers, multiple transfer to the

24 intermediary accounts, and then later additional tracing to

25 U.S. accounts, and then later tracing to purchase those various

JB13SCO4 October - Direct Page 1616

1 items.

2 Q. Okay. So if we can put that back up, actually Mr. Barile.

3 2620.

4 So, the items that are in the bottom tier, the

5 purchases that were made. Your analysis traced all the way up

6 to that top tier, the nine accounts, the IMS, B&N, Star

7 Merchant and Fates accounts?

8 A. That is correct.

9 Q. In your review of bank records, we just talked recently

10 about a transfer to Barta for a purported loan. In your review

11 of the bank records in this investigation, did you find any

12 evidence of payments repayments of any purported loans?

13 A. Not -- not for Barta, but there was --

14 Q. No. Just for any purported loans?

15 A. Yeah, so there was a loan, there was a -- a payment sent

16 for approximately 5 million euros from one of the Cayman

17 accounts, I believe it was ending in 4102, to DMS Governance.

18 And --

19 Q. DMS is a bank?

20 A. DMS -- the DMS Cayman is a bank.

21 Q. Okay.

22 A. And those transfers happened approximately in November of

23 2016. And later in April of 2017, I noticed that there were

24 approximately four transfers back to that account. The DMS

25 Cayman account, Fenero ending in 4102, for approximately \$5.2

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1 million.

2 Q. From Fenero to DMS?

3 A. Yes.

4 Q. Or from DMS to Fenero?

5 A. No. Repayment of the reference, repayment of loans.

6 Q. So from DMS to Fenero.

7 A. Back to the Fenero account, yes.

8 Q. Aside from that, that \$5 million out and then back in, did

9 you see any evidence in any of the other records of repayments

10 or payments of purported loans?

11 A. No, I have not.

12 MS. LOZANO: Your Honor, may I approach the witness?

13 THE COURT: You may.

14 Q. Ms. October, take a look at that and 2620-BU. Do you

15 recognize that?

16 A. Yes, I do.

17 Q. What do you recognize that to be?

18 A. That's an enlarged version of the chart that I just

19 recently testified to.

20 Q. Aside from being larger in size, is it the same?

21 A. Yes.

22 MS. LOZANO: Your Honor, I'm offering 2620-BU.

23 MR. GARVIN: The same objection as before.

24 THE COURT: It will be received.

25 (Government's Exhibit 2620-BU received in evidence)

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1 THE COURT: Before we go to that, I understand there
2 is a request from the jury. We just have a few minutes left to
3 go, so we'll finish up now. We'll see you back tomorrow
4 morning. Don't discuss the case.
5 (Jury excused)
6 THE COURT: Ms. October, you can step down.
7 THE WITNESS: Thank you.
8 THE COURT: One or more of the jurors had to use the
9 facilities. So we'll get back together at 3 o'clock? And it
10 will be in this room. Okay?
11 (Recess)
12 (In open court; jury not present)
13 THE COURT: How many more witnesses does the
14 government have?
15 MR. FOLLY: Your Honor, we have one remaining witness
16 after Ms. October.
17 THE COURT: How much longer is Ms. October?
18 MS. LOZANO: I estimate between 45 minutes and an hour
19 at most.
20 THE COURT: How long will the last witness be?
21 MR. FOLLY: Your Honor, approximately 45 minutes to an
22 hour.
23 THE COURT: Okay. So, arguably you will rest
24 tomorrow.
25 MR. FOLLY: Yes, your Honor.

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1 THE COURT: How long is the defense case going to be,
2 if you're able to make an estimate at this point?
3 MR. GARVIN: Your Honor, we may also rest tomorrow.
4 Coordinating the witnesses and filtering up, it's very possible
5 we may also rest tomorrow too.
6 THE COURT: Okay. So everyone's here that's going to
7 be here?
8 MR. DEVLIN-BROWN: Yes. Your Honor, Mr. Scott with
9 the Court's permission, he knows he has a right to be at every
10 court proceeding, but he'd rather be excused.
11 THE COURT: Okay. You are excused.
12 As with the voir dire form, because I am going to be
13 giving this to the jury -- by the way, I am going to need from
14 the government a clean version of the indictment because I do
15 give the indictment, the verdict form, and jury instructions to
16 each of the jurors, so I want to put together a package for
17 them. As with the voir dire form, I am happy to receive from
18 either side any comments, including typographical errors,
19 grammatical errors, etc. Okay?
20 As the parties are aware, the first few pages are sort
21 of boilerplate, used on many occasions, and the last part is
22 also boilerplate. I will be adding an instruction on
23 stipulations which is not currently in this draft. If there is
24 any other instruction that you think needs goes to that latter
25 part, I'm happy to give it.

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1 So let me just ask over the first few pages before we
2 get to the conspiracy counts, on page seven, any substantive or
3 other comment?
4 MR. DiMASE: These are very minor non-substantive
5 comments. But on the first page I think the indictment charges
6 the defendant as Mark S. Scott. On the very opening title
7 page.
8 THE COURT: Where are you?
9 MR. DiMASE: On the literally the first page. It says
10 jury instructions. On the top in the caption.
11 THE COURT: Okay. Mark S. Scott.
12 MR. DiMASE: Right. And all of our stipulations have
13 been under just 17 CR 630. I don't know if we want to remain
14 consistent and take the superseder out. If we do leave it in,
15 it should be \$10 not \$1.
16 THE COURT: Let's take it out.
17 MR. DiMASE: Okay. On page seven, again, this is not
18 substantive, "Mr. Scott has pleaded not guilty to these
19 charges" probably should be indented. It is supposed to be a
20 separate paragraph.
21 THE COURT: I'm sorry. Page seven?
22 MR. DiMASE: Right above conspiracy count. This is
23 just formatting.
24 THE COURT: Okay.
25 MR. DiMASE: On page eight, in the first full

JB13CO4 Page 1621

1 paragraph.
2 THE COURT: Before you get to page eight. Anything in
3 the introductory pages, Mr. Garvin or Mr. Devlin-Brown?
4 MR. DEVLIN-BROWN: No, your Honor.
5 THE COURT: Go ahead, Mr. DiMase.
6 MR. DiMASE: I think in the first full paragraph it
7 would be better the word "though" could be switched to "if."
8 MR. DEVLIN-BROWN: Where are we?
9 MR. DiMASE: Page eight, first full paragraph.
10 Starting with the word "indeed."
11 THE COURT: Always happy to take out "though."
12 MR. DiMASE: What's that, your Honor?
13 THE COURT: I'm always happy to take out the word
14 "though."
15 MR. DiMASE: I think "even though" suggests that the
16 crimes were not actually committed, when it's the government's
17 position that they were in fact committed. So "even if" I
18 think is a better formation.
19 THE COURT: Okay. Now to the section three, if there
20 is nothing else.
21 MR. DiMASE: We are at page 10, your Honor. I guess
22 existence of conspiracy. Page nine I guess.
23 MR. DEVLIN-BROWN: Right.
24 MR. DiMASE: I have a minor correction on page 10.
25 Capitalizing "government" in the third paragraph I think just

In The Matter Of:
UNITED STATES OF AMERICA, v.
MARK S. SCOTT

November 19, 2019

Southern District Court Reporters

Original File JBJ9SCOF.txt

Min-U-Script® with Word Index

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1 reflects what came in. 2 THE COURT: Can you show that to the defense. 3 MR. FOLLY: We provided this to the defense last week. 4 We have not heard any objections, so we'd like it on the record 5 at this point. 6 THE COURT: Very well. 7 MR. DEVLIN-BROWN: Did you give an updated list last 8 night or maybe it was the same list? 9 MR. FOLLY: As to the timeline, no changes there. 10 MR. DEVLIN-BROWN: We agree those are in. 11 MR. DiMASE: Just for the record, your Honor, the 12 exhibit issue, the transcript reflects that Exhibits 506 and 13 513, and Exhibits 517 and 537 are in evidence. What I meant to 14 offer was 506 through 513, and 517 through 537. So I would 15 offer those exhibits now. They were shown to the witnesses at 16 the time. I had an understanding that they were admitted into 17 evidence. I don't think there is any objection. These are the 18 BNY Mellon records. 19 THE COURT: Any objection? 20 MR. DEVLIN-BROWN: I don't think so. But they're all 21 straight bank records? 22 MR. DiMASE: These are the various e-mails and other 23 records admitted through the Bank of New York Mellon witness. 24 MR. DEVLIN-BROWN: I don't think so, but maybe we can 25 just quickly take a look.	1 (Jury present) 2 THE COURT: Good morning, ladies and gentlemen. Thank 3 you as always for being so prompt. We will now continue with 4 the direct examination of Ms. October. 5 Ms. October, you are reminded that you are still under 6 oath. Ms. Lozano. 7 MS. LOZANO: Thank you, your Honor. At this time the 8 government offers pursuant to the stipulation GX 55, an e-mail 9 which is marked Government Exhibit 1441. We're offering it. 10 I'm not publishing to the jury yet. 11 THE COURT: Very well. It will be received. 12 (Government's Exhibit 1441 received in evidence) 13 THE COURT: Is it GX 55? 14 MS. LOZANO: The stipulation, the electronic evidence 15 stipulation is GX 55. This exhibit, e-mail is GX 1441. 16 THE COURT: Very well. 17 ROSALIND OCTOBER, 18 called as a witness by the Government, 19 having been previously sworn, testified as follows: 20 DIRECT EXAMINATION (Continued) 21 BY MS. LOZANO: 22 Q. Good morning, Ms. October. 23 A. Good morning. 24 Q. When we broke yesterday, you were speaking about your 25 analysis of bank records and reflections of loans and whether			
JB33SC01	Page 1686	JB33SC01	October - Direct	Page 1688
1 THE COURT: It's 9:30. Why don't you guys do that 2 later. 3 MR. DiMASE: That's fine. 4 THE COURT: Let's get Ms. October in here. 5 (Continued on next page) 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25	1 there were reflections of loan repayments. So, I want to ask, 2 I want to go back and ask you, did your review of the bank 3 records in this case reveal that certain payments were 4 represented as loan payments? 5 A. Yes. 6 Q. And you mentioned yesterday that your review of DMS records 7 reflected payments to Fenero from DMS that indicated they were 8 repayments of a loan? 9 A. Correct. 10 Q. Aside from those references in DMS records, did you see any 11 evidence in any other bank records of any repayments of any 12 reported loans? 13 A. No, I did not. 14 Q. I'd like to move on now to a different subject. Well, same 15 subject. Different part of it. 16 Your financial analysis of the Fenero Funds, did it 17 also involve review of transactions that went through Locke 18 Lord and escrow accounts held by Locke Lord? 19 A. Yes, it did. 20 Q. What is Locke Lord? 21 A. Locke Lord is an international law firm, one of which, 22 where Mr. Scott was employed. 23 MS. LOZANO: Mr. Barile, can we pull up and also 24 publish to the jury GX 2621. 25 Q. Ms. October, please describe what this chart represents of			

JB3SCO1	October - Direct	Page 1689	JB3SCO1	October - Direct	Page 1691
1	your financial analysis.		1	in 3546, it was then subsequently transferred to a Northern	
2	A. This chart represents certain flows of money originating		2	Trust account ending 8222 held in the name of Edwards Wildman	
3	from a RavenR account held in the United Emirates. RavenR I		3	Palmer, which is also known as Locke Lord. And that transfer	
4	understand to be a OneCoin affiliated company. And this four		4	occurred on February 5, 2016 in the amount of \$5,116,458.	
5	transfers that occurred in September 2015.		5	Q. And then what happens to that money after approximately two	
6	Q. Let me stop you right there. When you use the term OneCoin		6	weeks after?	
7	affiliated with RavenR, can you be more specific? With whom is		7	A. Approximately two weeks after, on February 18, 2016, the	
8	it, your understanding with whom is it connected?		8	same amount, \$5,116,458 is transferred to a Zala Group account	
9	A. Connected to Ruja Ignatova.		9	held in the United Emirates, ending in 8004.	
10	Q. Okay. Continue.		10	Q. Do you know who the signatory of that account is?	
11	A. So, moving from left to right, there is approximately \$85		11	A. I believe it's Gilbert Armenta.	
12	million with these four transfers that occurred in September		12	Q. To be clear, the transfer from the Locke Lord JPMC to the	
13	through October, going into a Zala Group account held at		13	Northern Trust account is exactly to the penny the same amount	
14	Comerica. Zala Group is owned by Gilbert Armenta.		14	as the Northern Trust transfer to the Zala Group Emirates	
15	Q. Was he the signature on that account?		15	account?	
16	A. Yes, he was. And then after the money was deposited into		16	A. It is exact.	
17	the Comerica account, held in Zala's name, it was then		17	Q. One question. There is a notation on this chart on upper	
18	subsequently transferred into two split payments to a Regions		18	right hand corner that says N/K/A. What does that mean?	
19	Bank also held in the name of Zala Group which Gilbert Armenta		19	A. That's just shorthand for now known as Locke Lord LLP.	
20	is the signatory for. And those transfers happened in October		20	MS. LOZANO: Mr. Barile, can we now publish 2614.	
21	for 9,500,000 on October 21, and \$4,445,051.75 the following		21	Q. Ms. October, can you walk us through this chart, please,	
22	day, October 22 to the Regions account ending in 9143.		22	and explain what it depicts.	
23	Q. So let me just stop you right there. There are two		23	A. This chart depicts attempted and also successful transfers	
24	different Regions bank accounts in the name of Zala Group, one		24	of approximately 33.4 million euros. So the transfers started	
25	ending 9143, one ending 9135; is that right?		25	with an attempt at an account held at Kreissparkasse Steinfurt	
JB3SCO1	October - Direct	Page 1690	JB3SCO1	October - Direct	Page 1692
1	A. That is correct.		1	in the name of IMS in Germany. Ending in 6108.	
2	Q. On the same day, October 21, 2015, the Comerica Zala Group		2	Q. Do you know who the signatory on that account is?	
3	account sent the same amount to each those accounts?		3	A. I'm not sure.	
4	A. Right. To each account.		4	Q. Okay. Walk us through what happens on March 31.	
5	Q. The 9.5 million?		5	A. On March 31 there was a 33.4 million euro transfer,	
6	A. The 9.5 million and the 4,445,000.		6	attempted transfer, notated by the dotted line to a Locke Lord	
7	Q. The next day?		7	account held in the United Kingdom escrow account. The	
8	A. The next day.		8	following day, the same amount, 33.4 million euros, was	
9	Q. That Comerica account sent the same amount, one to each of		9	transferred back to the IMS Kreissparkasse Steinfurt account	
10	the Zala accounts held at Regions?		10	held -- IMS account ending in 6108.	
11	A. That is correct.		11	Q. Then after that, on April 5, 2016, what happens from the	
12	Q. After that money was transferred to the two Regions bank		12	Kreissparkasse Steinfurt account 6108?	
13	accounts, the 9143 and the 9135, where did you trace the money?		13	A. So on the same day of April 5, 2016, there were four	
14	A. After the Regions transfers, the money was transferred in		14	separate transfers, three separate 9 million euro transfers,	
15	two payments to a Locke Lord account held at JPMC ending in		15	and one transfer for 6.4 million euros that was transferred to	
16	3546.		16	another IMS account held at United Overseas Bank ending in	
17	Q. What date was that?		17	6682.	
18	A. So that occurred on February 2, 2016.		18	Q. Do you know why -- first of all, what is that total for	
19	Q. Approximately how much was transferred between those two		19	April 5?	
20	accounts?		20	A. That totals 33.4 million dollars -- euros.	
21	A. Approximately \$5 million.		21	Q. And do you know why the 33.4 million dollars was not	
22	Q. All right. Then after that approximately \$5 million hits		22	transferred all in one transfer and it was broken up into four?	
23	the Locke Lord JPMC account, what happened? What do you find		23	A. I do not know the reason for that.	
24	with your tracing?		24	Q. So, where does it go?	
25	A. Once the transfer was received into the JPMC account ending		25	A. Once it is received into the 6682 IMS account, it is then	

JB3SCO1	October - Direct	Page 1693	JB3SCO1	October - Direct	Page 1695
1	transferred to the DMS Cayman bank ending in 6102 held in the		1	First Financial Bank. When I reviewed the First Financial Bank	
2	name of Fenero Equity Investments LP, and those transfers		2	records, there is a Forex exchange.	
3	happen in \$5 million increments, 5 million euro increments,		3	Q. A what exchange?	
4	starting from May 30, 2016 to June 7, 2016.		4	A. A Forex exchange.	
5	Q. For a total of what?		5	Q. What is a Forex exchange?	
6	A. For a total of 35 million euros.		6	A. That's just a currency place that does currency conversions	
7	Q. And the United Overseas Bank 6682, when it received the		7	for its customers and clients.	
8	33.4 million euros, how long had that account been opened?		8	Q. Okay. It receives money in one currency and exchanges it	
9	A. That account had only been opened for two months.		9	and sends it out in a different --	
10	Q. The 6682 United Overseas bank account, is that one of the		10	A. Correct. So, first my review of the First Financial	
11	accounts that you identified as one of the original nine		11	records shows that there were transfers to IMS account ending	
12	accounts that funded the four Fenero Cayman accounts?		12	in 6108, as well as transfers to IMS account ending in 6682.	
13	A. That is correct, yes.		13	So, my tracing showed that Mrs. Cohen's funds ended up in the	
14	Q. Do you know who the signatory for the IMS PTE at United		14	IMS bank accounts.	
15	Overseas Bank is?		15	Q. And that 6682 account, the IMS account, that's the one we	
16	A. Yes, I do.		16	just saw in a previous chart was opened in February of 2016?	
17	Q. Who is that?		17	A. Correct.	
18	A. The account opening records reflect that it's held by Manon		18	Q. This same month?	
19	Hubenthal and Frank Ricketts.		19	A. Correct.	
20	MS. LOZANO: I think we can move on now, Mr. Barile.		20	Q. Let's now turn, we can take this slide down. Let's now	
21	We can take that down.		21	turn to where the money went after it was transferred to the	
22	Q. Ms. October, you mentioned yesterday that you also analyzed		22	intermediary accounts. Did you trace any of the funds that	
23	part of your financial tracing in this case bank records		23	flowed through the defendant's Fenero fund accounts to	
24	related to two individuals who invested in OneCoin. What were		24	purchases made by Mr. Scott?	
25	the names of those individuals?		25	A. Yes, I have.	
JB3SCO1	October - Direct	Page 1694	JB3SCO1	October - Direct	Page 1696
1	A. Linda Cohen and William Horn.		1	Q. Generally speaking, what kind of purchases?	
2	MS. LOZANO: Mr. Barile, can we pull up GX 2626,		2	A. So, there were purchases for real estate property, there	
3	please.		3	were purchases for a number of watches, time piece collections,	
4	Ms. Rivera, would be possible to erase the blue that's		4	there were purchases for vehicles, inclusive of Ferraris and	
5	on my screen? Thank you.		5	Porsches, as well as a yacht.	
6	Q. Ms. October, what does this chart reflect?		6	Q. Let's talk about the real estate. How many property	
7	A. This chart reflects some transfers that I reviewed		7	purchases did you trace to funds originating from the nine	
8	concerning Linda Cohen which were transferred to Secure Point		8	original funding accounts that sent money to the Fenero Funds,	
9	360, and subsequently ended up in the accounts of IMS.		9	the IMS, Star Merchant, B&N and Fates accounts?	
10	Q. So walk us through. She -- you traced how much money?		10	A. So, there were a total of five properties that benefited	
11	A. \$22,577.29.		11	from those funds. Three of the properties went through	
12	Q. Where did that money first come from? Where did it		12	successfully. There was one property that was an attempted	
13	originate?		13	purchase, and then there was a condo where a mortgage was paid	
14	A. So the records reflect that Linda Cohen has an account at		14	off in connection to that property.	
15	HSBC ending in 664, and then on February 17, 2016, she		15	Q. What did your tracing process for property purchases	
16	transferred the \$22,577.29 to a TD Bank account ending in 7544		16	entail?	
17	in the name of Secure Point 360.		17	A. It entailed first reviewing the bank records, and tracing	
18	Q. The HSBC bank account, do you know where that was held?		18	the source of funds. And it also entailed reviewing some	
19	A. That's a New York account, Manhattan account.		19	search warrant photos and it also entailed looking through	
20	Q. Manhattan?		20	various property records.	
21	A. Yes.		21	Q. When you say property records, describe what records you're	
22	Q. Once the money, the 22,000 and change hit the Secure Point		22	talking about. Who keeps these records?	
23	360 TD account, where did you see it go?		23	A. Properties that -- property records that are public records	
24	A. So, my analysis reflects that Secure Point maintains an		24	usually held by the county clerk or where the property is	
25	account with Bannockburn Global Forex, which is now known as		25	domiciled, where the property is located, there is public	

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1	records for those properties that consists of deeds and		1	A. The top one reads loan to MSS for acquisition Biltmore Way.	
2	mortgages and title records and also records with who the		2	Q. And the bottom one reads?	
3	owners of the properties are registered into.		3	A. Escrow property partial payout of BN loan facility.	
4	MS. LOZANO: Mr. Barile, please pull up and publish to		4	Q. Given those -- where were those notations?	
5	the jury GX 2617-A.		5	A. Those notations would be included in the wire details.	
6	Q. Ms. October, please explain what this chart depicts.		6	Q. Given those notations, how did you then determine that in	
7	A. This chart illustrates a home located at 133 Sunset Lane in		7	fact those moneys were used to buy this property and not	
8	Barnstable, Massachusetts, in the Cape Cod area.		8	something on Biltmore Way?	
9	Q. Who owns that home?		9	A. So, a review of Ms. Huesmann's account did not reflect any	
10	A. That is owned by Mark Scott. And it was purchased on		10	purchases for a Biltmore Way or BN loan facility. I'm not sure	
11	October 24, 2016 for \$2,850,000. My tracing entailed that		11	what those are. But given the time period of the flows of	
12	these funds derived from the one of the intermediary accounts,		12	funds, I used my judgment that those funds were actually used	
13	the DMS Cayman MSSI International Consultant, which sent a		13	for the 133 Sunset Lane purchase.	
14	transfer on September 6, 2016, of \$529,750 to another MSS		14	Q. We can turn now to 2617-B. Oh, I'm sorry. Can we go back	
15	International Consultants account, domestic account, held in		15	to 2617-A for one minute.	
16	Florida at City National Bank ending in 3236.		16	Do you know what that photo comes from?	
17	Q. Who was the signatory on that account?		17	A. That photo came from a search warrant, I believe.	
18	A. That is Mark Scott. And the funds from the 3236 account at		18	Q. Let's now go to 2617-B. What is this chart?	
19	City National Bank was then transferred 450,000 -- 460,000 of		19	A. This chart reflects transfers of money to pay off a	
20	it to his attorney's account, Nicole Huesmann IOLA account, on		20	mortgage for a condo owned by Mr. Scott located at 600 Coral	
21	September 7, 2016.		21	Way, Unit 12, in Florida. The property records reflect that	
22	Q. And then where did that money ultimately go?		22	there was a mortgage, and there was a mortgage for this	
23	A. Well, the purchase of the property consisted of two		23	property and the purchase price was 1,580,000. And that	
24	transfers, so, there was an additional transfer that came from		24	occurred on January 14, 2015. And my review of the records	
25	another intermediary account held at the Bank of Ireland ending		25	shows that on October 16, 2016, that that -- the existing	
JB3SCO1	October - Direct	Page 1698	JB3SCO1	October - Direct	Page 1700
1	in 4760 in the name of Fenero Tradenext Trading, which		1	mortgage was paid off in the amount of \$1,794.66. And further	
2	transferred also to Ms. Huesmann's account on October 3, 2016,		2	down below in the blue box shows where the source of funds to	
3	in the amount of \$2.5 million to Ms. Huesmann's account. Once		3	pay off that mortgage came from.	
4	the money was in Ms. Huesmann's account, it was then used to		4	Q. Those were the two Bank of Ireland accounts in the name of	
5	facilitate and finalize the purchase of 133 Sunset Lane with		5	Fenero Tradenext Holding?	
6	two payments to a Kinlin Grover Realty Group in the amount of		6	A. Yes, so the two bank accounts, which is the one of the	
7	\$145,000 and \$2,772,953.54 on October 21, 2016, to a Cowley &		7	seven intermediary accounts that each transferred 500,000 in	
8	Cummings IOLA real estate account.		8	October 2016 to Nicole Huesmann's account.	
9	Q. According to the property records for this property, when		9	Q. After the second transfer, which was on October 17, two	
10	was it purchased; what was the date of the purchase?		10	days later, October 19, the mortgage was paid off according to	
11	A. The date of the purchase was October 24, 2016.		11	your analysis?	
12	Q. What was the total purchase price?		12	A. Yes, that's correct.	
13	A. \$2,850,000.		13	Q. This house is in the name of who?	
14	Q. Now, I'd like to ask you about the arrow that goes from		14	A. In Mark Scott. It is a condo.	
15	attorney's bank account to Cape Cod Five Cents Savings. There		15	Q. Was the mortgage in his name?	
16	is a notation there, "deposit for 133 Sunset Lane."		16	A. Yes.	
17	Where did that come from?		17	Q. I'm sorry, not house. Condo. Where did you get this	
18	A. That came from the wire details for that particular		18	picture?	
19	transfer.		19	A. This is just a regular internet photo.	
20	Q. So then let me ask you, and this property is 133 Sunset		20	Q. Let's turn now to 2617-D. What is this house?	
21	Lane?		21	A. This chart illustrates a property also owned by Mr. Scott	
22	A. Yes, it is.		22	located at 31 Dale Avenue in Hyannis Port, Massachusetts. Also	
23	Q. The two arrows that show money coming into Ms. Huesmann's		23	in the Cape Cod vicinity.	
24	IOLA account for the benefit of the defendant have two		24	Q. When was it purchased?	
25	different notations. The top one reads what?		25	A. This property was purchased September 20, 2017, in the	

JB3SCO1	October - Direct	Page 1701	JB3SCO1	October - Direct	Page 1703
1	amount of \$3,765,000.		1	National Bank. So, it was, given the time period of some of	
2	Q. Where did that money, according to your tracing, where did		2	those transfers, it was a little bit challenging to say exactly	
3	it come from and where did it go?		3	that all of that money was used for this purchase. So I only	
4	A. The funds for this property came from two of the		4	collectively gathered the transfers that was in close proximity	
5	intermediary accounts, one in the name of Fenere Trading		5	to that particular real estate purchase date.	
6	Holding ending in 4760, and which transferred to Nicole		6	Q. So you reflected on the chart only the transfers that you	
7	Huesmann's account of \$250,000. And the second intermediary		7	feel confident are traced to the original nine funding	
8	account held in DMS Cayman in the name of MSS International		8	accounts?	
9	Consultants ending in 7100, made two separate transfers, one on		9	A. That's correct, yes.	
10	July 14, 2017 in the amount of \$2 million, and the second		10	Q. Where did this picture come from, if you know?	
11	transfer on August 17, 2017 in the amount of \$1 million.		11	A. This picture came from an e-mail, Mark Scott's e-mail.	
12	So, Nicole Huesmann's account collectively received		12	Q. It was an e-mail that he had?	
13	three million -- \$3.2 million into her account in three		13	A. Yes.	
14	different transfers. And once the money was in her IOLA		14	MS. LOZANO: 2617-E, please, Mr. Barile.	
15	account, there were four separate payments to facilitate the		15	Q. Ms. October, explain briefly what this chart represents.	
16	final payments for the 31 Dale Avenue.		16	A. This chart represents another property home purchased by	
17	Q. Those are the arrows?		17	Mr. Scott located at 105 Sunset Lane in Barnstable,	
18	A. Those are the arrows going out.		18	Massachusetts, also in the Cape Cod vicinity, which was	
19	Q. To the right?		19	purchased on November 13, 2017, in the amount of \$2,310,000.	
20	A. To the far right which includes the O'Neill Real Estate,		20	Q. And there is a notation here Scott contributed \$1.310	
21	Frank Horgan Insurance Agency, and John W. Kenney Client Trust		21	million. What, can you explain what that means?	
22	account.		22	A. So my analysis of what this particular property reflected	
23	Q. Okay. The bottom arrow on the left coming in has a		23	that there were, there was a second individual that purchased	
24	reference to 31 Dale Avenue, right?		24	the property with Mr. Scott, a Marietta Halle. So I extracted	
25	A. Yes.		25	her funds because it wasn't related to the transfers connected	
JB3SCO1	October - Direct	Page 1702	JB3SCO1	October - Direct	Page 1704
1	Q. The top arrow coming in and to the left has a reference to		1	to the nine accounts.	
2	Railroad Barnstable Property Development. Do you know what		2	Q. And the Fenere Funds?	
3	that is?		3	A. And the Fenere Funds. So, her amount that she contributed	
4	A. I do not.		4	is extracted from the total price. So I was only able to trace	
5	Q. Why were you able to tie that money to the 31 Dale Avenue		5	actually the 1.3 million that Mark Scott's intermediary account	
6	property?		6	held at DMS Cayman in the name of MSS International ending in	
7	A. So when I reviewed Ms. Huesmann's bank records, I did not		7	account 7100 made a transfer of 1,310,000 on October 30, 2017	
8	notice any payments that reference any payments that included a		8	to Ms. Huesmann's account. The IOLA account. And that IOLA	
9	Barnstable Railroad property. So, based on my judgment and		9	account made a transfer on November 12, 2017 in the amount of	
10	given the time period of these transfers, I used my judgment		10	2,211,380 to John Kenney Client Trust account.	
11	that this, these transfers were made for the 31 Dale Avenue		11	Q. In your review of property records, did you see anything	
12	property.		12	connecting John Kenney to the purchase of this property?	
13	Q. And on the right, the arrows coming out of Ms. Huesmann's		13	A. Yes, John Kenney is listed in the property records as well	
14	account, does every one of those arrows include a notation, a		14	as Ms. Huesmann.	
15	wire notation that references 31 Dale Avenue?		15	Q. As one of the attorneys?	
16	A. Yes, all of them have reference on 31 Dale Avenue in some		16	A. As one of the attorneys, yeah, of the property.	
17	form.		17	Q. You mentioned an attempted purchase. Where is the general	
18	Q. So let's now move to 2617-E. Oh. Actually can we go back		18	vicinity; where was that property?	
19	one more question about 2617-D and 31 Dale Avenue.		19	A. That property was also in the Cape Cod location.	
20	You mentioned that the total coming in was 3.25		20	Q. How much money was transferred in anticipation of that	
21	million, but the total going out was the 3.7 and change million		21	attempted purchase?	
22	to purchase the property. Can you explain the differentials		22	A. So, I noticed that around February of 2017, there were two	
23	there?		23	\$500,000 transfers to Nicole Huesmann's account.	
24	A. Sure. So, Ms. Huesmann's account also received additional		24	Q. But that never happened?	
25	transfers from some of Mark Scott's accounts held at City		25	A. The property wasn't purchased.	

JB33SC01	October - Direct	Page 1705	JB33SC01	October - Direct	Page 1707
1 Q. We'll move on from property now. You also -- real			1 Q. Okay. So I just want you to focus on the far left and the		
2 property.			2 far right. Where did this money originate, according to your		
3 You also mentioned that you traced Fenero Fund money			3 tracing?		
4 to purchases of watches by the defendant. How many watches			4 A. The funds originated from one of the intermediary accounts		
5 were you able to trace to the Fenero Funds in the original nine			5 held at the Bank of Ireland in the name of Fenero Tradenext		
6 funding accounts?			6 Holding ending in 5001.		
7 A. So, I traced 16 watches, just from one jeweler, Time Piece.			7 Q. And all the way on the right, where did the money end up?		
8 And then I traced a handful of additional watches that was			8 A. The money ended up with a check payment to Braman		
9 purchased from a variety of other jewelers, possibly maybe			9 Motorcars.		
10 another five or six watches.			10 Q. All right. Let's go now -- by the way, did that check,		
11 MS. LOZANO: Mr. Barile, can you please display GX			11 your review of that check indicate the model?		
12 2618.			12 A. Yes, it did. It was in the memo line, yes.		
13 Q. Ms. October, can you summarize for us what this chart			13 Q. Mr. Barile, please pull up 2619-B.		
14 reflects?			14 Ms. October, what does this chart represent?		
15 A. This chart reflects the 16 watches that were purchased			15 A. This chart represents a Porsche 911 Turbo 2017 which was		
16 for -- by Mr. Scott which originated from one of the -- either			16 purchased by Mr. Scott on February 10, 2017, in the amount of		
17 one of the Fenero accounts or the MSS Cayman accounts totaling			17 119,529.50.		
18 \$281,800, and the 16 watches were purchased from the one			18 Q. Okay. And again, focusing just all the way on the left and		
19 jeweler known as Time Piece.			19 all the way on the right, where did the money originate?		
20 Q. On the bottom of the chart, does the chart move from left			20 A. The funds originated from one of the intermediary accounts		
21 to right chronologically?			21 held at the Bank of Ireland in the name of Fenero Equity		
22 A. Yes, so it is a timeline chart, which reflects the date of			22 Investment ending in 4760.		
23 the property -- of the watch purchase, and also the arrow above			23 Q. And where did the money end?		
24 it shows from what account that money was -- what account the			24 A. It ended with a check payment to Braman Motorcars.		
25 watch was purchased from.			25 Q. Again, did that check indicate in any sort of way that the		
JB33SC01	October - Direct	Page 1706	JB33SC01	October - Direct	Page 1708
1 Q. So you traced all of these watches to one of four accounts			1 purchase was for a Porsche 911 Turbo?		
2 that are depicted on the top of this chart, the Northern Trust,			2 A. Yes, it did.		
3 the City National Bank 3008, City National Bank 3236, and the			3 Q. Where does this photo come from, do you know?		
4 City National Bank --			4 A. This came from just -- I think this came from a search		
5 A. 0295.			5 warrant photo.		
6 Q. -- 0295. What is depicted in the each box for each watch?			6 Q. Okay. Let's move on to 2619-C. What does this chart		
7 A. So, depicted in the box on the top is whatever was listed			7 depict?		
8 in the wire description for the watch, and there is a generic			8 A. This chart depicts a Porsche 911R 2016 purchased by		
9 picture of a watch as well as the dollar amount of the			9 Mr. Scott on June 15, 2017, in the amount of \$332,248.41.		
10 purchase, and the bottom part entails the date of that			10 Q. And the money originated from what account?		
11 purchase.			11 A. The money originated from one of the intermediary accounts		
12 Q. What was the price range for these 16 watches?			12 held at DMS Cayman in the name of MSS International Consultants		
13 A. It ranged from the lowest being \$3,700, to the highest			13 BVI Limited.		
14 being \$35,995.			14 Q. And that transfer was a \$500,000 transfer that went through		
15 Q. What kind of watches were these?			15 a couple of intermediary accounts?		
16 A. There were a combination of Rolex watches, Omega watches			16 A. Yes, so for the purchase of this property, there were		
17 and Panerai watches as well.			17 multiple transfers. So, the DMS Cayman account transferred on		
18 Q. We can take that down, Mr. Barile.			18 June 14, 2017, \$500,000 to Mark Scott -- MSS International		
19 You also mentioned purchases made with Fenero Fund			19 Consultants LLC, one of the domestic accounts held in Florida.		
20 money by the defendant of multiple vehicles. I am going to ask			20 Q. Then it went to another?		
21 you about those now. If we can pull up GX 2619-A.			21 A. Then it went --		
22 What does this chart depict?			22 Q. CNB Mark Scott account?		
23 A. This is a purchase of a Ferrari 599 GTB 2011, which was			23 A. Correct. The same, the same bank, just under the name of		
24 purchased by Mr. Scott on November 8, 2016, in the amount of			24 Mark Scott.		
25 \$245,269.37.			25 Q. Okay.		

JB33SCO1	October - Direct	Page 1709	JB33SCO1	October - Direct	Page 1711
1 A. Ending 0295.			1 sent \$2 million through one other Mark Scott controlled		
2 Q. Then from there, where was the money sent for the ultimate			2 account?		
3 purchase of the vehicle?			3 A. That is correct.		
4 A. To Braman Motorcars.			4 Q. Ultimately, to whom was the purchase price paid?		
5 Q. At Sun Trust Bank?			5 A. Paid to Braman Motorcars.		
6 A. Sun Trust Bank, yes.			6 Q. And this 3317 RBC account, is that the same account as you		
7 Q. How did you determine from your financial analysis that the			7 just testified you traced to the RBC 8611 HFT Holdings account?		
8 purchase was for this kind of make and model of a car?			8 A. That is correct.		
9 A. So, the it was indicated on the wire details.			9 Q. All right. Was there any indication in any of the -- in		
10 Q. And the total purchase of that car was 332,248.41?			10 any of the bank records that this was the car that was being		
11 A. Yes, that's correct.			11 purchased with these funds?		
12 Q. We can move on now, Mr. Barile, to 2619-D.			12 A. Yes. The wire details indicated the model of the car.		
13 Ms. October, what does this chart represent, which			13 Q. Where did you get this photo?		
14 vehicle?			14 A. This photo was taken from the search warrant.		
15 A. This chart represents a purchase by Mr. Scott of a Porsche			15 Q. Let's now turn to 2619-F. Ms. October, tell us about this		
16 911 GTRS 2018, on June 11, 2018, in the amount of 218,898.87.			16 chart.		
17 Q. Where did this money originate, where did you trace the			17 A. This chart illustrates a purchase of a Sunseeker Predator		
18 purchase price to?			18 yacht that was purchased by Mr. Scott on March 21, 2017, in the		
19 A. These funds came from a RBC account held in the name of			19 amount of \$1,310,000.		
20 Mark Scott Trust 2017 ending in 3317 account number.			20 Q. Where did that money originate, where did you trace that		
21 Q. Were you able to trace the money that was in 3317, where			21 money back to, what account?		
22 that money came from?			22 A. The funds were traced to one of the intermediary accounts		
23 A. Yes, I did.			23 held at Bank of Ireland, in the name of Fenero Tradenext		
24 Q. Where did that money come from?			24 Holding ending in 5001.		
25 A. It came from a series of transfers, but I was able to			25 Q. And that transfer for the amount of \$1.3 million, was there		
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1 transfer it back to another RBC account held in the name of HFT			1 a notation on that wire?		
2 Holding ending in 8611.			2 A. Yes. The wire indicated boat purchase sent for MSSI Marine		
3 Q. You were able to trace it back to that?			3 Group Limited.		
4 A. I was able to trace it back to that, and then the 8611 was			4 Q. Ultimately, were two payments made to cover purchase price		
5 also traced to the intermediary accounts and then traced			5 of this yacht?		
6 further up to one of the Fenero accounts and traced back up			6 A. Yes, there was, yeah.		
7 further up originating from one of the nine accounts, either			7 Q. Where did those payments go?		
8 Star Merchant, B&N Consultants, IMS or Fates.			8 A. There were two payments, one that went to Galat Yacht Sales		
9 Q. So this purchase was made on June 11, 2018. And where was			9 in amount of \$130,000 with a reference in the wire indicating		
10 the purchase price of the \$218,898.87 sent?			10 deposit for 2016 Sunseeker Predator. And the second deposit,		
11 A. It was sent to Braman Motorcars held at Sun Trust.			11 second final payment was in the amount of 1,127,000 where the		
12 Q. Mr. Barile, could we see 2619-E.			12 reference in the wire indicated Sunseeker which was paid to a		
13 What is this chart, Ms. October?			13 Nautikos Florida LLC account.		
14 A. This chart reflects a purchase of a 911 GT2 RS 2018			14 Q. Do you know what Nautikos Florida is?		
15 purchased by Mr. Scott on August 29, 2018, in the amount of			15 A. I understand it to be a business in the marine space that		
16 \$617,426.46.			16 sells boats.		
17 Q. And all the way on the left, to which two accounts did you			17 Q. According to the documents and records you've reviewed, do		
18 trace the purchase price for this vehicle?			18 you know what the name of this yacht or vessel is?		
19 A. The funds came from, the top one is one of the intermediary			19 A. Yes.		
20 accounts of MSS International Consultants BVI held at First			20 Q. What is that?		
21 Caribbean ending in 2701. As well as the RBC account held in			21 A. TMI -- T-A-I-M-A.		
22 the Cayman Islands in the name of Mark Scott 2017 Trust ending			22 Q. Do we see that on the photo or partial?		
23 in 3317.			23 A. Yes.		
24 Q. So the First Caribbean MSSI account sent \$500,000 through a			24 Q. The partial name of the photo there?		
25 series of Mark Scott controlled accounts, and the RBC account			25 A. Yes.		

<p>JB33SCO1 October - Direct Page 1713</p> <p>1 Q. And what letters are missing so we see what -- 2 A. It's spelled T-A-I-M-A. So the M is partially cut off and 3 the A. 4 Q. Where does this photo come from? 5 A. This came from a search warrant. 6 Q. We can take that down. 7 As part of your financial analysis, did you prepare a 8 summary of the total value of transfers from the Fenero MSSSI 9 accounts to Scott controlled accounts? 10 A. Yes. 11 Q. Can we pull up 2628, Mr. Barile, please. 12 What does this chart reflect? 13 A. This chart reflects the nine funding accounts that 14 transfers money to the four Cayman Fenero accounts, then to the 15 seven intermediary accounts which included bank accounts held 16 in the name of MSSSI in the Cayman Islands, as well as four Bank 17 of Ireland accounts held in the name of various names of 18 Fenero. And those funds were transferred to accounts 19 controlled by Mark Scott, and also accounts to Nicole Huesmann 20 bank accounts, as well as the accounts that he shares with 21 David Pike, and the total sums of the money for these transfers 22 was approximately 52 million. 23 Q. How much? 24 A. 52 million. 25 Q. For the entire box?</p>	<p>JB39SCO2 October - Direct Page 1715</p> <p>1 MS. LOZANO: All right. I want to ask you if we could 2 actually put up, Mr. Barile, side-to-side 1441 now. 3 Q. And Ms. October you mentioned -- you testified that some of 4 the intermediary accounts as well as the Fenero Fund Cayman 5 accounts were held at DMS? 6 A. Correct. 7 Q. So I'd like you to take a look at 1441. 8 Have you seen this before? 9 A. Yes. 10 Q. And what is it? 11 A. It's an e-mail from Mark Scott on May 17, 2016. From Mark 12 Scott to Mark Scott with the subject DMS wire details. 13 MS. LOZANO: Can we scroll up to the second page of 14 it. And I think we may need to rotate. 15 Q. What is this, Ms. October? 16 A. So this is a DMS Bank & Trust wire instructions sheet. 17 Q. Does that indicate for account holders at DMS what 18 intermediary banks are going to handle their international 19 transfers? 20 A. Yes, it does. 21 Q. And on the left-hand column there's a column called 22 currency? 23 A. Yes. 24 Q. And the first one down it says USD. What does that stand 25 for?</p>
<p>JB33SCO1 October - Direct Page 1714</p> <p>1 A. The entire box. 2 Q. All in? 3 A. All in. 4 Q. How do you define in this chart and for yourself accounts 5 controlled or for the benefit of defendant Scott? 6 A. Based on the account opening documents, and the signatory 7 card that the accounts listed Mr. Scott as either a director or 8 beneficial owner of these accounts. 9 Q. How is this bottom box organized? 10 A. So, it's organized with the orange circle and the American 11 flag as accounts that are domestic, were U.S. held, and then 12 there's flags that represents accounts that are held in the 13 Cayman Islands, and then moving, actually, then there is also 14 one account there is a Swiss account, so, the first box 15 represents all of only -- only Mr. Scott accounts. 16 And then the second box, the middle box has the orange 17 colored coding around it, represents accounts that's not held 18 in Mr. Scott's name, but accounts where he actually received 19 benefits from, and those would include the Nicole Huesmann 20 account, as well as the Williams Jet Tenders account, which 21 appeared to mention the name of the boat in the wire records. 22 And then to the far right, located in highlighted in 23 blue, are accounts that are shared with Scott and David Pike, 24 and there are two accounts in that box. 25 (Continued on next page)</p>	<p>JB39SCO2 October - Direct Page 1716</p> <p>1 A. That's US dollar. 2 Q. The next column over says intermediary bank? 3 A. Correct. 4 Q. And for US dollars or accounts held at DMS what serves as 5 the intermediary bank? 6 A. Bank of New York Mellon. 7 Q. What is the address? 8 A. Bank of New York Mellon New York, New York. 9 Q. What is the address? 10 A. I'm sorry. One Wall Street, New York, New York. 11 MS. LOZANO: I think we can take that down now. 12 Q. So let's go back up to 2628. 13 Now you mentioned that this chart reflects a total of 14 approximately \$53 million that the defendant received from the 15 Fenero Funds accounts? 16 A. That is correct. 17 Q. Are you familiar with the defendant's Fenero private equity 18 fund mission statement? 19 A. Yes. 20 MS. LOZANO: Mr. Barile, if we could pull up GX2201, 21 page 7. Let's I guess go to 6 first so we can show the 22 witness. 23 Q. Ms. October, do you recognize this? 24 A. Yes. It's the Fenero Equity Investments mission statement. 25 Q. And was that document contained in some of the bank records</p>

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1	that you've reviewed?		1	accounts total credit \$29,339,608.08. And then there's euros	
2	A. Yes.		2	of 1,146,576.86. And then there's pounds of 8,275,109.60.	
3	Q. So let's go to the second page of this statement which is		3	Q. And those are all independent of each other? Those aren't	
4	the seventh page of the exhibit and on the top there is a		4	kind of the same amount in different currencies? Those are	
5	paragraph and in the middle of the paragraph there's a sentence		5	different amounts in each currency; is that right?	
6	that starts "The fund manager receives," and then it has little		6	A. Different amount in each currency.	
7	i, little two i, little three i. So can you read to me that		7	MS. LOZANO: One moment, your Honor.	
8	entire sentence starting with, "The fund manager receives."		8	(Counsel confer)	
9	A. The fund manager receives a management fee of one percent		9	MS. LOZANO: Your Honor, one moment. I have one more	
10	per deposit in the fund; two, a one percent on the average		10	thing left.	
11	annual remaining cash value of the fund; third, an eight		11	At this time, your Honor, may I approach the witness?	
12	percent carried interest pari passu with investors upon any		12	THE COURT: You may.	
13	exit.		13	Q. Ms. October, I want to show you five different exhibits.	
14	Q. What is your understanding about the one percent management		14	And the first one is 2602A-BU. The next one is 2603-BU. The	
15	fee that the defendant was entitled to under this agreement,		15	next one is 2622-BU. The next one is 2628-BU. And the last	
16	what was that one percent based on?		16	one is 2620-BU?	
17	A. The one percent based on -- it says based on the deposits		17	A. Yes.	
18	in the fund.		18	Q. Do you recognize all of those?	
19	Q. So the total deposits in the fund?		19	A. Yes, I do.	
20	A. The total deposits.		20	Q. What are they?	
21	Q. And what about number three, an eight percent carried		21	A. They are various charts that I created to represent the	
22	interest pari passu with the investors upon any exit.		22	flow of money and flow of funds from the funding accounts to	
23	Are you familiar with the term carried interest?		23	accounts controlled by Mr. Scott.	
24	A. Yes, I am.		24	Q. And those -- are those exhibits the same as the exhibits	
25	Q. What does that mean?		25	with those numbers except that they're bigger?	
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1	A. Carried interest is additional income that a partner in a		1	A. That's correct.	
2	private equity fund can receive from profits derived from those		2	MS. LOZANO: I'm going to offer at this time, your	
3	deposits.		3	Honor, those five exhibits.	
4	Q. So to be clear the eight percent is calculated not on the		4	MR. GARVIN: I believe the Court has already ruled on	
5	total money invested in the fund but only from the profit		5	this. We have no objection.	
6	earned?		6	THE COURT: Very well. They will be received.	
7	MR. GARVIN: Your Honor, I'm sorry. Leading.		7	(Government's Exhibits 2602A-BU, 2603-BU, 2622-BU,	
8	THE COURT: Yes. Don't lead, Ms. Lozano.		8	2628-BU, 2620-BU received in evidence)	
9	Q. Explain to me what is the eight percent calculated from?		9	MS. LOZANO: I have no further questions for this	
10	A. The eight percent will be calculated based on the		10	witness.	
11	investments and then the return on those investments, whatever		11	THE COURT: Cross-examination.	
12	profits were gained and realized from those investments would		12	MR. GARVIN: Thank you, your Honor.	
13	be the profits only would be distributed to the fund manager --		13	CROSS-EXAMINATION	
14	Q. So to be clear --		14	BY MR. GARVIN:	
15	A. -- partner.		15	Q. Good morning, Ms. October.	
16	Q. So to be clear is the eight percent calculated on the total		16	A. Good morning, counsel.	
17	amount invested in the fund?		17	Q. My name is David Garvin. I represent Mr. Scott in this	
18	A. No.		18	matter.	
19	MS. LOZANO: We can take that down. And we can put		19	MR. GARVIN: Mr. Barile, would you be nice enough,	
20	2628 back up. Let's look at the bottom box.		20	sir, to put back onto the screen Government Exhibit 2201, page	
21	Q. Now you walked through and explained to us the kind of		21	7. If you could please highlight the top portion of the page.	
22	coding of the accounts here and how they're depicted. Can you		22	Q. Ma'am, you were asked a few moments ago, and I wanted to	
23	tell us where is the total amount that Mr. Scott -- that you		23	hit this while it was still fresh, about this particular	
24	have credited to Mr. Scott for Scott-only controlled accounts?		24	paragraph. Do you recall that?	
25	A. So it's located in the -- in bold on the left side, Scott		25	A. Yes, I do.	

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1 Q. OK. And there is a portion of it that says "At this time,			1 THE WITNESS: It's possible.		
2 Fenero expects to fully invest and exit from its initial			2 Q. And you were not present when the parties in this		
3 investments within a five-year term."			3 particular case broke this equity fund, were you?		
4 Do you see that, ma'am?			4 A. I was not.		
5 A. Yes.			5 Q. In fact, this equity fund appears to have only been funded		
6 Q. And you understand based upon your experience and education			6 between the months of June and October of 2016, correct?		
7 that private equity funds can have an expiration date, correct?			7 A. That sounds right.		
8 A. Correct.			8 Q. And that the money began to be closed out of these accounts		
9 Q. It is often called an exit date, correct?			9 as early as April 10 of 2017; isn't that correct?		
10 A. Familiar with that, yes.			10 A. That sounds possible.		
11 Q. And that indicates that the parties should expect their			11 Q. And by September of 2017 all of the funds had been		
12 money to be tied up for a period of time, correct?			12 transferred out; isn't that true?		
13 A. Possible.			13 A. I would have to see something to recall the time period.		
14 Q. And the parties that are investing into the private equity			14 Q. Fair enough, ma'am.		
15 funds normally understand that it is the administrator of the			15 We're going to go through each of those charts and		
16 fund that will decide upon the investments of that fund; isn't			16 when we hit that one that may be helpful we can talk about it		
17 that correct?			17 then, OK?		
18 MS. LOZANO: Objection. Calls for someone else's			18 A. Sure.		
19 state of mind.			19 Q. So, we have a situation where we don't know what the final		
20 THE COURT: Overruled.			20 percentage was that was negotiated and agreed upon to pay the		
21 Q. You can answer, ma'am.			21 fund manager, do we?		
22 A. It's possible.			22 MS. LOZANO: Objection.		
23 Q. And so this particular document goes on to say that the			23 THE COURT: Overruled.		
24 fund manager receives a: One, management fee of one percent			24 THE WITNESS: It's outlined in the mission statement.		
25 per deposit in the fund; two, a one percent on the average			25 Q. Well we see under this mission statement it would be one		
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1 annual remaining cash value of the fund; and three, an eight			1 percent if it went in accordance to what is said here, it would		
2 percent carried interest pari passu with the investors upon any			2 be one percent, five percent, and eight percent carried		
3 exit.			3 interest Pari passu; isn't that right?		
4 Do you see that, ma'am?			4 MS. LOZANO: Objection. Misrepresenting the evidence.		
5 A. Yes, I do.			5 THE COURT: Overruled.		
6 Q. And isn't it also clear that the percentages here, in			6 THE WITNESS: That's what it says here.		
7 particular, will -- focusing on number two, will be added each			7 Q. And if the parties simply just stuck with what it said they		
8 year; isn't that correct?			8 could end up with as much as 14 percent going to the fund		
9 A. It says an average annual.			9 manager at the early termination of this fund; isn't that true?		
10 Q. Correct. So you would anticipate that that would mean that			10 MS. LOZANO: Objection. Based on what?		
11 the one percent is an annual fee; isn't that right?			11 THE COURT: If she knows.		
12 A. Possible.			12 THE WITNESS: I'm not sure.		
13 Q. So, if that is the case, that means, if it lasts for five			13 Q. Well if we just add one percent and five percent and eight		
14 years, that portion by itself should total five percent,			14 percent the simple math on that would be 14, correct?		
15 correct?			15 MS. LOZANO: Objection. Mischaracterizes her		
16 A. Yes.			16 testimony.		
17 Q. Now, in addition to that, if someone decides that they want			17 THE COURT: If she knows.		
18 to break the private equity firm and take their investment out,			18 Can you answer that question?		
19 they have to then negotiate with the fund manager as to what			19 THE WITNESS: No.		
20 the termination fee; isn't that true?			20 THE COURT: Next question, Mr. Garvin.		
21 A. I would imagine so.			21 MR. GARVIN: Yes.		
22 Q. Because otherwise it could be viewed as a breach of			22 Would you be kind enough, Mr. Barile, to put up the		
23 contract; isn't that true?			23 first chart. I believe it's 2601, sir.		
24 MS. LOZANO: Objection.			24 Q. Now I believe this is the first chart. And this chart		
25 THE COURT: Overruled.			25 reflects funds that were paid during a period of time and that		

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1	is designated as February 2016 through April 2016 to Mark		1	very first chart which was 2601, correct?	
2	Scott; is that correct?		2	A. I'm sorry.	
3	A. Yes.		3	Q. 2601?	
4	Q. And that total is slightly under a million dollars; is that		4	A. Yes.	
5	right?		5	Q. We just discussed it a couple moments ago.	
6	A. That is correct.		6	And on that particular chart the amount of money that	
7	MR. GARVIN: At this time I would like to move		7	Mr. Scott received was one million dollars, correct?	
8	Defendant's Exhibits into evidence, in particular, Defendant's		8	A. Close to a million, yes.	
9	Exhibit 158, 159, 160, 701, being Mr. Scott's four tax returns.		9	Q. And I am directing your attention, ma'am, to line 17. Do	
10	MR. DEVLIN-BROWN: I think we have technical issues.		10	you see line 17?	
11	Can we use the hard copies.		11	A. Yes.	
12	MS. LOZANO: Your Honor, the government objects. This		12	Q. And the amount that Mr. Scott reported on line 17 is	
13	is outside the scope of the direct. If they would like to		13	over -- slightly over \$2 million, correct?	
14	introduce it on their case they can.		14	A. Correct.	
15	Your Honor, may we have a sidebar on this?		15	Q. And you are aware that Mr. Scott is a lawyer, right?	
16	THE COURT: No. I'll allow you to use them now.		16	A. Yes.	
17	MR. GARVIN: Thank you.		17	Q. And that for at least a portion of 2016 Mr. Scott was	
18	(Defendant's Exhibits 158, 159, 160, 701 received in		18	working as a lawyer at Locke Lord, right?	
19	evidence)		19	A. Yes.	
20	(Counsel confer)		20	Q. And that you would anticipate that his legal fees would be	
21	MR. DiMASE: Your Honor we would object to the		21	reported on his tax return, correct?	
22	admission of the fourth exhibit, the 2018 tax return for the		22	MS. LOZANO: Objection.	
23	reasons that we described at the beginning of the day. We		23	THE COURT: Overruled.	
24	haven't seen it yet. Just that one for now.		24	THE WITNESS: I'm sorry?	
25	THE COURT: It will be received subject to connection.		25	Q. You would anticipate that his legal fees would be reported	
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1	MR. GARVIN: Thank you. Your Honor, I believe he's		1	on his tax return, correct?	
2	unable to pull it up electronically so we're going to try to		2	A. His income.	
3	pull out the ELMO.		3	Q. And your chart makes reference to the fact that those	
4	Can you please trigger the key for the lecturn?		4	transfers had written on them the words legal expense; isn't	
5	Thank you, sir.		5	that right?	
6	Q. Now I'm placing now down on the court's ELMO system and I		6	A. Yes.	
7	am showing you now what is in evidence as Defendant's Exhibit		7	Q. And so if we look at line 17 it is for schedule E; is that	
8	159. Do you see that?		8	right?	
9	A. Yes.		9	A. Yes.	
10	Q. And you're familiar with the common 1040 tax return,		10	Q. And also for S corporations which means small corporations,	
11	correct?		11	right?	
12	A. Yes.		12	A. Right.	
13	Q. And the 1040 tax return that we are showing at this		13	Q. And in this particular case, if we located schedule E, we	
14	particular instance to the ladies and gentlemen of the jury is		14	would be looking to see if his law income would be reported	
15	the 2016 return, correct?		15	there, correct?	
16	A. Yes.		16	A. Right.	
17	Q. And when we look down this tax return first we see in the		17	Q. Now in addition to his law income you have discussed with	
18	top notation it appears to be quite a large return because it		18	the ladies and gentlemen of the jury that Mr. Scott controlled	
19	has 97 pages, correct?		19	an entity known as MSS International Consultants BVI; isn't	
20	A. Yes.		20	that right?	
21	Q. And if we look at the income that's being reported for this		21	A. Yes.	
22	particular period of time -- would you be kind enough to read		22	Q. And BVI is short for British Virgin Islands, correct?	
23	what is on line 22 to the ladies and gentlemen of the jury?		23	A. Yes.	
24	A. 9,156,869.		24	Q. And British Virgin Islands does not have an income tax	
25	Q. Now, a few moments ago you had discussed with myself the		25	system for small business entities; isn't that correct?	

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1 A. I'm not sure.			1 experience that private equity fund managers make a whole lot		
2 MS. LOZANO: Objection.			2 of money; isn't that true?		
3 THE COURT: Overruled.			3 A. Some of them do.		
4 Q. Now, there is an opportunity, though, that if you have a			4 Q. And so it is not unusual to see a private equity manager in		
5 small foreign entity that the taxpayer can tell the IRS that			5 charge of a four-hundred-million-dollar equity fund earning		
6 they're going to report the entity as if it was domestic and			6 seven, eight million dollars a year; isn't that true?		
7 they call that a disregarded -- a report for foreign			7 A. Earning is subjective.		
8 disregarded entities; isn't that true?			8 Q. But it is -- the statement is true though, isn't it?		
9 A. I'm not sure.			9 A. Possible.		
10 Q. I'm putting down what's page 22 of the 97-page document.			10 MR. GARVIN: Your Honor may I -- I see we're close to		
11 In particular I'm making reference at this point to form 8858.			11 what I think is the break.		
12 Do you see that, ma'am?			12 THE COURT: We can break now. Ladies and gentlemen,		
13 A. Yes, I do.			13 we'll take fifteen minutes. Don't discuss the case.		
14 Q. And do you see that it says information return of U.S.			14 (Jury not present)		
15 persons with respect to foreign disregarded entities?			15 THE COURT: Ms. October, you may step down.		
16 A. Yes, I see that.			16 (Witness excused)		
17 Q. And the name of the person who is filing the return it says			17 THE COURT: Everyone can be seated. Anything else?		
18 is Mark S. Scott, right?			18 Don't be late.		
19 A. Yes.			19 (Recess)		
20 Q. And the name of the company that he's reporting as a			20 THE COURT: OK. Can we get Ms. October?		
21 foreign disregarded entity is MSS International Consultants			21 (Jury present)		
22 BVI.			22 THE COURT: Mr. Garvin.		
23 Do you see that?			23 MR. GARVIN: Thank you, your Honor.		
24 A. I see that.			24 Ms. Stanley, are you able to pull up Defendant's		
25 Q. Now, what effect that has is that any money that MSS --			25 Exhibit 701, please.		
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1 strike that. I'm sorry. I got ahead of myself -- that MSS			1 Could you please go in, I think it's to page 14. Are		
2 International Consultants BVI is going to report as income			2 you able to scroll down to page 14? Thank you. Please		
3 will, in fact, appear on this United States tax return; isn't			3 continue scrolling down if possible. I like to get to the		
4 that true?			4 first page of the return. I think it's two more pages. One		
5 MS. LOZANO: Objection. Counsel is testifying.			5 more page, I believe. Looking for the first page of the		
6 THE COURT: Overruled.			6 return. OK. That indeed is the first page of the return.		
7 THE WITNESS: I'm not sure.			7 Q. Do you recognize this, ma'am, as Mark Scott's personal 1040		
8 Q. Well, if we look at this closely we will see that Mr. Scott			8 for the year 2018?		
9 has reported on line 12 almost an additional \$7 million of			9 A. Yes, I do.		
10 taxable income.			10 Q. You see that the format has changed because there was a		
11 Do you see that, ma'am?			11 change by the Internal Revenue Service that year; is that		
12 A. I see that.			12 correct?		
13 Q. And you will agree with me, and somewhat facetiously, I'm			13 A. I'm not sure.		
14 sorry, I can't help myself, that will buy a lot of watches,			14 Q. And if we look in the center section we see that the return		
15 right?			15 was prepared by a CPA company; is that correct?		
16 A. A lot of property.			16 A. Yes.		
17 Q. A lot of property, a lot of watches, a lot of boats, right?			17 MR. GARVIN: Ms. Stanley, would you be nice enough to		
18 A. I would assume so.			18 go to the next page, please.		
19 Q. There's nothing wrong with buying property or watches or			19 Q. And this is the -- this page reflects the income that was		
20 cars as long as you abide by the law, correct?			20 reported by Mr. Scott to the Internal Revenue Service; is that		
21 A. Correct.			21 correct?		
22 Q. And one of the things you have to do to abide by the law is			22 A. It appears so.		
23 you have to report your taxes, right?			23 Q. And if we look at line 10 it says taxable income,		
24 A. Part of it.			24 \$29,671,123. Do you see that ma'am?		
25 Q. And you would also agree, would you not, based upon your			25 A. Yes, I do.		

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1 Q. And this would be in addition to what we had previously			1 A. I did not have the records for the account -- the OCBC		
2 seen reported by Mr. Scott in 2016; isn't that correct?			2 account ending in 7201.		
3 A. (No response).			3 Q. Let's go to the next account, the Deutsche Bank account.		
4 Q. Is that correct, ma'am?			4 Would it be accurate to say that Mr. Scott was not a signatory		
5 A. I'm not understanding the question.			5 authority on that account?		
6 Q. On Defendant's Exhibit 159 that we did right before the			6 A. Correct.		
7 break we saw that there was on line 22 9,156,869 reported as			7 Q. And working our way across to try to pick up a little bit		
8 taxable income in 2016, correct?			8 of speed would it be accurate to say that Mr. Scott was not a		
9 A. Right. I recall.			9 signatory on any of the accounts that are highlighted on the		
10 Q. And now we're seeing in 2018 that he has reporting an			10 screen now?		
11 additional \$29,671,123 of taxable income; isn't that correct?			11 A. I'm unable to answer that because we do not have the		
12 A. I see that.			12 records for the other OCBC account.		
13 MR. GARVIN: You can take that down. Thank you.			13 Q. So we do know that Mr. Scott was not signatory on any of		
14 Q. So just if we add those two together by themselves there			14 the accounts here with the exception of OCBC because we simply		
15 was approximately \$39 million of taxable income reported by			15 don't have those records; is that right?		
16 Mr. Scott for the years 2016 and 2018; isn't that correct?			16 A. Correct.		
17 A. That adds up.			17 Q. Now, if you would be kind enough, sir, to highlight the		
18 Q. Now, I'd like to shift back to talking about some of the			18 bottom third.		
19 charts that you prepared.			19 Now the bottom third it shows the four Fenero equity		
20 A. OK.			20 accounts, correct?		
21 MR. GARVIN: In particular perhaps Mr. Barile would			21 A. Yes.		
22 help us with putting up 2602, please.			22 Q. And those accounts were held in Mr. Scott's name; isn't		
23 Q. At the top we have the total amount for the Fenero Funds,			23 that right?		
24 correct?			24 A. As a signatory, yes.		
25 A. Yes.			25 Q. And all four of those accounts were -- fell under the MSSI		
JBJS9SCO2	October - Cross	Page 1734	JBJS9SCO2	October - Cross	Page 1736
1 Q. And as we stated I believe a little bit earlier that this			1 consultants or international consultants BVI entity; isn't that		
2 time period covers May of '16 through October '16; is that			2 right?		
3 right?			3 A. I think so.		
4 A. That's correct.			4 Q. And Mr. Scott was the signatory for that account or entity		
5 Q. And that's the period of time that the -- excuse me. The			5 also; isn't that right?		
6 four private equity funds were funded, correct?			6 A. For the MSSI?		
7 A. Right.			7 Q. Yes, ma'am.		
8 Q. And so what we see in the far left-hand side is that there			8 A. Yes.		
9 is a bank account --			9 Q. Now, I want to talk about the one over to the far		
10 MR. GARVIN: Could we please enlarge the top third.			10 right-hand side. Do you see the one that says Fates Group.		
11 Q. Focusing now on what appears to be Commerzbank on the far			11 The far right-hand side it says the Fates Group. Do you see		
12 left-hand side. Do you see that, ma'am?			12 that, ma'am?		
13 A. Yes.			13 A. Yes.		
14 Q. Account ending in 2001?			14 Q. And do you -- would it be accurate to say that the money		
15 A. Yes.			15 that the Fates Group sent to the Fenero equity investments was		
16 Q. And it would be accurate to say that Mr. Mark Scott was not			16 returned?		
17 a signatory on that account; isn't that true?			17 A. Returned to who?		
18 A. That's true.			18 Q. To Fates Group?		
19 Q. If we go to the next account to the right ending in 7201 it			19 A. To another Fates Group account, yes.		
20 would be also true to say that Mr. Scott does not appear in any			20 Q. And every penny that we have --		
21 of the bank records for that account as a signatory; isn't that			21 MR. GARVIN: If we could fade out to the normal		
22 correct?			22 screen, please. Thank you so much.		
23 A. I'm unable to answer that.			23 Q. If we add these two Fates Groups together it comes pretty		
24 Q. Well the records that you saw Mr. Scott was not a signatory			24 close to \$10 million, slightly less; is that correct?		
25 in any of the records that you saw; is that correct?			25 A. Close to 10 million, yes.		

JBJS9SCO2	October - Cross	Page 1737	JBJS9SCO2	October - Cross	Page 1739
1 Q. And the exact same amount, several months later, was			1 Over a five-month period of time that would be a		
2 returned to Fates Group; isn't that correct?			2 frequency on average of one a week or maybe even less		
3 A. I wouldn't say returned but it was transferred to another			3 frequently, correct?		
4 Fates Group account.			4 A. Well there was four in one day.		
5 Q. Well it was the -- money that came into Fenero Equity,			5 Q. I understand that. But I'm talking about when you put all		
6 there was a specific amount and that exact same amount was			6 of these numbers out there it becomes kind of overwhelming. It		
7 returned back to Fates Group?			7 looks like, wow, there's a lot. But when you realize that this		
8 A. I'm just uncomfortable with "returned." I would associate			8 covers a five-month period of time, the frequency or the		
9 returned with being returned to the exact same account. Not to			9 average frequency becomes a little bit more reasonable, would		
10 a different account.			10 you not agree?		
11 Q. I see. OK. So I was using the term returned because it			11 A. I'm not following you.		
12 went back to an account controlled by Fates Group but I			12 Q. All right. Well I probably asked a really poor question so		
13 understand your point so I'll rephrase.			13 I'll move on.		
14 Was the money sent to an account that was controlled			14 MR. GARVIN: Could we please see no. 2603. Thank you,		
15 by Fates Group?			15 Mr. Barile.		
16 A. Yes.			16 Q. A few moments ago we were talking about Mr. Scott's tax		
17 Q. And that money that it was sent to that was controlled by			17 returns. You recall that?		
18 Fates Group, isn't it accurate to say that Mr. Scott was not a			18 A. Yes.		
19 signatory on any of the Fates Group accounts?			19 Q. And this period of time is from 2016 through 2018; is that		
20 A. I can't speak to that because I do not have the records for			20 correct?		
21 the final destination for the Fates Group account.			21 A. Yes.		
22 Q. Have you seen Mr. Scott's name on any Fates Group account?			22 Q. And I believe you stated when you discussed this particular		
23 A. None that I reviewed, no.			23 chart that the side that has the American flag, the domestic		
24 Q. Thank you, ma'am.			24 accounts, most, if not all, of those funds went through a Mark		
25 Now, it would also be fair to say that each and every			25 Scott controlled bank account; is that true?		
JBJS9SCO2	October - Cross	Page 1738	JBJS9SCO2	October - Cross	Page 1740
1 one of the transactions that went to the first three Fenero			1 A. Mark Scott's controlled account as well as Nicole Huesmann		
2 equity funds were in euros; isn't that right?			2 account.		
3 A. Euros, yes.			3 Q. And Nicole Huesmann, she's an independent lawyer, correct?		
4 Q. And that none of these banks that we're listing here were			4 A. I believe so.		
5 physically situated in the United States, correct?			5 Q. And she, as part of her private practice, she represents		
6 A. None of the seven banks?			6 people who purchase and sell real estate, she does the		
7 Q. Yes. The seven that have the -- you have flags that show.			7 closings, right?		
8 A. Right. They're not in the United States with the exception			8 A. It appears so.		
9 of the Fates Group.			9 Q. And so it's not uncommon for a lawyer who does real estate		
10 Q. And the Fates Group as we have discussed for a few moments			10 work to place deposits in their trust account until the closing		
11 now, those funds went to -- back to an account controlled by			11 occurs, correct?		
12 the Fates Group although not the exact same account, correct?			12 A. It's normal.		
13 A. Yes. A different Fates Group account.			13 Q. And so we know that this 36,643,000 plus the million		
14 Q. Now, I wanted to talk about the period of time here. This			14 146,000 euros went either through Mr. Scott's account or Nicole		
15 covers approximately a five-month period of time, right?			15 Huesmann's account, correct?		
16 A. Yes.			16 A. Correct.		
17 Q. And if we sat there and looked at the number of			17 Q. But we also know that during this period of time Mr. Scott		
18 transactions that occurred over that five months we would see			18 reported over \$37 million of taxable income on his tax returns,		
19 that each bank is sending less than ten wires in total. I have			19 correct?		
20 not counted the one that says Star Merchant. Perhaps I should			20 A. From 2016 to 2018?		
21 have done that before I asked the question.			21 Q. Yes.		
22 But let's start with the far left. It appears that			22 A. Yes.		
23 there's only six transfers there; is that correct?			23 MR. GARVIN: If we could please go to 2604, sir.		
24 A. I counted seven.			24 Q. Now, this chart shows where this particular fund sent money		
25 Q. I'll go with seven, if there's seven.			25 to; is that correct?		

JBJS9SCO2	October - Cross	Page 1741	JBJS9SCO2	October - Cross	Page 1743
1 A. Money going out and money coming in.			1 Q. And before the Bank of Ireland would accept any money they		
2 Q. And so we have the account is being funded with \$155			2 would want to know what it is for, right?		
3 million; is that correct?			3 A. The purpose.		
4 A. Yes.			4 Q. That's standard operating procedure, right?		
5 Q. Now, let me start with that. During your research did you			5 A. Yes.		
6 realize that each of these funds were supposed to have a cap of			6 Q. And so what we do know here is that the Bank of Ireland		
7 one hundred million dollars?			7 accepted the funds, correct?		
8 A. I'm sorry?			8 A. The funds were successfully transferred.		
9 Q. Each of the Fenero Funds had a cap of one hundred million			9 Q. And we have some entries below that say DBS Bank Hong Kong		
10 dollars?			10 Barta Holdings LTD. Do you see that?		
11 A. I'm unaware of that.			11 A. Yes.		
12 Q. Are you familiar that when an equity fund has a cap, if it			12 Q. Now, you understood that to be a loan; isn't that right?		
13 gets overfunded it must either return the funds or transfer			13 A. Yes, a loan for CryptoReal.		
14 those funds to another equity fund that is not over the cap?			14 Q. And you understood that CryptoReal was going to purchase		
15 A. I'm familiar with that.			15 from an entity called Barta Holdings an oil field; isn't that		
16 Q. And so you've shown here that there was a transfer of			16 right?		
17 approximately \$50 million that went to DMS Cayman to Fenero			17 A. I'm familiar.		
18 Financial Switzerland.			18 Q. And are you also familiar that the parties that represented		
19 Do you see that, ma'am?			19 Barta, the sellers, was Dr. Hui and Neil Bush, the son of		
20 A. Yes.			20 President George Bush?		
21 Q. But sitting here you don't know if that was done because			21 A. I'm only familiar with Dr. Makan, that he was listed on the		
22 the DMS Cayman Fenero Equity Investments LP had exceeded its			22 account opening records for Barta.		
23 cap?			23 Q. Did you look to see who was on the board of directors of		
24 A. Right. I'm not sure the reason.			24 any of Dr. Hui's firms?		
25 Q. Now, you have listed several transfers here and when you			25 A. No, I did not.		
JBJS9SCO2	October - Cross	Page 1742	JBJS9SCO2	October - Cross	Page 1744
1 did this would it be fair to say that you simply went to the			1 Q. So sitting here today do you have any information that		
2 bank accounts and looked for transfers out and transfers in?			2 Mr. Neil Bush, Dr. Hui, met in Hong Kong with Ruja Ignatova		
3 A. Yes.			3 about this very transaction?		
4 Q. And that that process as a lawyer or as an accountant is			4 A. I don't have knowledge of that information.		
5 normally the easiest way to just follow the money, right?			5 Q. Do you feel that that would have been important information		
6 A. One of the ways.			6 to put on your chart?		
7 Q. And in this particular case we see that some of the funds			7 MS. LOZANO: Objection.		
8 indeed went to another Fenero Financial equity fund and to the			8 THE COURT: Sustained.		
9 right it also went to the Bank of Ireland Fenero Equity			9 Q. Now, ma'am, you said that you did not see the repayment of		
10 Investments; is that true?			10 that particular loan; is that correct?		
11 A. Yes. It went to three Bank of Ireland accounts.			11 A. That's correct.		
12 Q. And during your research and in preparation of your			12 Q. And do you know when that particular loan was due to be		
13 testimony here today did you see the documentation that the			13 repaid?		
14 funds, the Fenero Funds were anticipating to invest in			14 A. No, I do not.		
15 distressed entities located in Europe and in particular the			15 Q. So if the due date on that particular loan, \$30 million,		
16 United Kingdom and Ireland?			16 was due three or four or even five years after the closing, you		
17 A. If you can show me something to refresh my memory on that.			17 would not expect to see that repayment if you're limiting the		
18 Q. I don't remember the exact exhibit number but do you recall			18 time period from June to August of 2016, would you?		
19 reading the mission statement or any other documentation like			19 A. Right.		
20 that?			20 Q. So let's go to the one next to that. It says Payment Card		
21 A. It might be contained in the mission statement but I would			21 Technologies. Do you see that?		
22 need to look at the document to refresh my memory.			22 A. Yes.		
23 Q. Well, when you looked at this you looked at the Bank of			23 Q. Do you recognize that as an investment made by Fenero		
24 Ireland documents, right?			24 Equity Funds?		
25 A. Yes.			25 A. I'm not sure what the purpose of the wire was for.		

JB9SCO2	October - Cross	Page 1745	JB9SCO2	October - Cross	Page 1747
1 Q. Well did you make any effort to determine if Payment Card			1 Q. Do you know anything about that particular investment?		
2 Technologies, sometimes referred to as PCT, was a credit			2 A. No, I do not.		
3 card-related business in which Fenero Equity Funds purchased a			3 Q. How about the next one to Vida Homes. Can you tell us		
4 minority but controlling interest?			4 about Vida Homes. What do they do?		
5 A. I'm unaware of that.			5 A. Based on some records that I reviewed it appears to be home		
6 Q. Did you know when you made this chart whether or not any			6 purchases for Ruja Ignatova.		
7 agreement with Payment Card Technologies required an initial			7 Q. And do you know if those were investment properties or		
8 deposit?			8 personal use properties?		
9 A. No, I do not.			9 A. I do not.		
10 Q. Would it be fair to say that you do not know the purpose of			10 Q. Let's talk about directly across from it, it says Metro		
11 any of these transfers?			11 Bank Peregrine law client. It seems to be another law firm,		
12 A. If there was no mention in the wire details, then I would			12 isn't it?		
13 not know the purpose of the transfer.			13 A. It appears so.		
14 Q. So your knowledge would be limited to whatever the wire			14 Q. Do you know why Peregrine was receiving over \$7 million?		
15 detail states?			15 A. I do not.		
16 A. Some of that and I also reviewed some e-mails but with			16 Q. We've already discussed the next one, Nicole Huesmann,		
17 respect to these transfers it's limited to the wire and the			17 right, so let's go past her.		
18 bank statements.			18 Do you see payment to the right in a red at the		
19 Q. OK. I appreciate that. I didn't want to keep on badgering			19 bottom, you see the Payment Card Technologies. Your answer		
20 you. I'm sorry.			20 would be the same as what we previously discussed, right?		
21 So then we'll take this down and we'll move, if we			21 A. Right.		
22 could, I believe the next one is 2607. Thank you so much.			22 Q. And finally there's one above it that says IG Markets		
23 Do you recognize this particular chart as one that was			23 General. What was that investment for?		
24 discussed during direct examination, ma'am?			24 A. I do not know the purpose of the investment.		
25 A. Yes, I do.			25 Q. Now when an equity fund closes or is terminated it is		
JB9SCO2	October - Cross	Page 1746	JB9SCO2	October - Cross	Page 1748
1 Q. And I'm looking at the top part and we see the four Fenero			1 customary that the equity fund will transfer any assets back to		
2 Funds in blue; is that correct?			2 the original investors; isn't that true?		
3 A. Yes.			3 A. That happens sometimes.		
4 Q. And can you tell the ladies and gentlemen of the jury what			4 Q. And the equity fund is not allowed to just keep everything,		
5 is IG Markets General LTD?			5 right?		
6 A. It appears to be some type of investment management fund,			6 A. Right.		
7 management company.			7 Q. So in this particular case you did see that millions and		
8 Q. And do you have any idea about who operates that fund?			8 millions of dollars were transferred back; isn't that correct?		
9 A. No, I do not.			9 A. Transferred back to whom?		
10 Q. So we see in this particular case a number of lines that			10 Q. Well, let's go over that a little bit. That's a good		
11 come down to the very bottom and I want to go over that just a			11 point. I think that one of your charts showed that 185 million		
12 little bit if I may.			12 went to another private equity firm called Phoenix; isn't that		
13 So again what period of time is this covering? Is it			13 true?		
14 July 2016 through April 2017?			14 A. Yes.		
15 A. Yes.			15 Q. And so that really wouldn't be a transfer technically back		
16 Q. And April 2017, actually April 10, 2017 is when the four			16 to the original investors. That would be more on the lines of		
17 funds started transferring the money out until they were			17 a lateral transfer to a separate equity fund; isn't that		
18 closed; is that correct?			18 correct?		
19 A. That's about right.			19 A. Except I'm not sure what Phoenix Fund's business model is.		
20 Q. So this would be right up until the time that started to			20 Q. Did you take the time to look them up on Google?		
21 occur; is that correct?			21 A. No, I did not.		
22 A. It falls within the time period.			22 MR. GARVIN: Would you be kind enough, sir, I think		
23 Q. And so can you tell us what is the purpose of the transfer			23 we've spent enough time with that one.		
24 to Julius Baer for what appears to be Ocean States Ventures?			24 Could we go to 2622.		
25 A. I don't know the reason for the transfer.			25 Q. And I think that we were just talking about that one so it		

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1	kind of fell right into place. This is the transfer history		1	A. I don't know what his watch collection consisted of prior	
2	for the funds that ended up with Phoenix Fund, right?		2	to this.	
3	A. Yes.		3	Q. Well you do know that there was a search warrant executed	
4	Q. And it appears in this that it says February through		4	in this case, correct?	
5	April 2017. Would it be fair to say that all of the transfers		5	A. Yes.	
6	occurred -- I guess we have been using -- let me start over		6	Q. And you do know that the -- after the search warrant was	
7	again.		7	conducted that the United States reviewed some of the things	
8	Reviewing this it appears that actually the last		8	that it had and decided to return them, right?	
9	transfer to Phoenix was on April 10, 2017; is that correct,		9	MS. LOZANO: Objection. May we approach?	
10	ma'am?		10	THE COURT: Sustained. Sure.	
11	A. That's correct.		11	(Continued on next page)	
12	Q. So actually the transfers commenced according to this chart		12		
13	as early as February 24 of 2017; is that right?		13		
14	A. That's correct.		14		
15	Q. And do you know if in or about that time that BNY Mellon		15		
16	was speaking with DMS Bank & Trust about IMS, meaning		16		
17	International Marketing?		17		
18	A. I'm not sure of that conversation.		18		
19	Q. And I think that you told us that you have little or no		19		
20	information on Phoenix Fund's history; is that correct?		20		
21	A. I have some information.		21		
22	Q. Do you have any knowledge for instance as to how long		22		
23	Phoenix Fund had been in business?		23		
24	A. No, I do not.		24		
25	MR. GARVIN: We can take that down, please.		25		
JBJS9SCO2	October - Cross	Page 1750	JBJS9SCO2	October - Cross	Page 1752
1	Could you please put up Exhibit 2620, please. Thank		1	(At sidebar)	
2	you.		2	MS. LOZANO: Your Honor I believe counsel is trying to	
3	Q. Now this particular chart overlays pretty much everything		3	elicit testimony about items that were seized and subsequently	
4	that happened during those two years, 2016 through 2018,		4	returned as part of the search warrant. Because the Court is	
5	correct?		5	going to instruct the jury that these searches were proper and	
6	A. Yes.		6	lawful and the items obtained were lawfully obtained it is	
7	Q. And the very, very bottom, those are the acquisitions or		7	totally inappropriate for counsel to make a suggestion that	
8	purchases by Mr. Scott; isn't that correct?		8	items were seized that were unlawfully seized and returned and	
9	A. Correct.		9	it's just that should not be in front of the jury.	
10	Q. And would it be fair to say and also accurate that these		10	MR. GARVIN: I have no intention of doing any of that,	
11	purchases, some of them that you have listed occurred before		11	in fact, I thought I was going out of my way to make the	
12	the Fenero Equity Funds were ever funded?		12	government look good because they saw that there was some	
13	A. Which one are you referring to?		13	things that they decided to return. All I was trying to	
14	Q. I remember seeing in the watch category, which we'll		14	establish was that Mr. Scott had purchased some watches and	
15	probably get to in the next exhibit, that there was a watch or		15	cars which I'm still working on prior to the years in issue and	
16	watches that were purchased before Fenero Equity Funds were		16	if the government saw fit to return something it was probably	
17	funded with the incoming money. I think it actually said 2015.		17	because they recognized it had been purchased before the period	
18	A. I would have to look at the -- I would have to see what		18	of time. The Court has already sustained the objection. I	
19	you're referring to.		19	planned on moving -- just moving on, not with this issue	
20	Q. I think we'll get to it. You're not sitting here arguing		20	though.	
21	that Mr. Scott who was an equity partner in an international		21	THE COURT: OK.	
22	law firm didn't make money before 2016, right?		22	(Continued on next page)	
23	A. I'm not disputing that.		23		
24	Q. And you're not saying that Mr. Scott didn't have an		24		
25	extensive watch collection before 2016, are you?		25		

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1 (In open court)			1 Q. This purchase occurred on November 23, 2015; isn't that		
2 Q. So getting back on track a little bit. So you recognize			2 true?		
3 that Mr. Scott was an equity partner in an international law			3 A. That's correct.		
4 firm, correct?			4 Q. And this says that it came from Mark Scott PL. That's his		
5 A. Correct.			5 law practice account, isn't it?		
6 Q. And that that position pays very well; isn't that correct?			6 A. Yes.		
7 A. I assume so.			7 Q. Those funds didn't come from Fenero Equity Funds; isn't		
8 Q. And that there is perfectly nothing wrong with Mr. Scott			8 that true?		
9 spending his money, assuming as long as he pays his taxes, on			9 A. It came from one of the IMS accounts.		
10 things that he cherishes; is that correct?			10 Q. No. My question, ma'am, was those funds didn't come from		
11 A. OK.			11 the Fenero Equity Funds; isn't that true?		
12 Q. So there is nothing wrong with Mr. Scott having an			12 A. I believe it did.		
13 extensive watch collection before 2016; isn't that true?			13 Q. The Fenero Equity Fund account was not funded until the		
14 A. (No response).			14 spring of 2016; isn't that true?		
15 Q. I'm not pointing at the chart.			15 A. That is correct.		
16 A. OK.			16 Q. Okay. Now, way back on 2601, it showed that Mark Scott		
17 Q. There's nothing wrong with it?			17 received close to \$1 million, and most of that money came from		
18 A. There's nothing wrong with it.			18 IMS. Do you recall that?		
19 Q. The same thing goes with German cars. You know that			19 A. Yes.		
20 Mr. Scott was born in Germany, right?			20 Q. And is that why you are saying that you believe it came		
21 A. Right.			21 from IMS, this particular money?		
22 Q. And you've done enough research now to realize that all of			22 A. I think so.		
23 these cars that you saw are German cars, right, at least with			23 Q. Okay. We've already established, shown that the tax		
24 the exception of the Ferrari, right?			24 returns shows that that million dollars was indeed reported by		
25 A. Right.			25 Mr. Scott on his tax return; isn't that correct?		
JBJS9SCO2	October - Cross	Page 1754	JBJS3SCO3	October - Cross	Page 1756
1 Q. And I think that actually -- you will recall that actually			1 MS. LOZANO: Objection.		
2 got traded in on something that was from Germany; isn't that			2 THE COURT: Sustained.		
3 right?			3 Q. So the total amount of the watches that are here says		
4 A. I don't recall.			4 \$281,000. Do you see that?		
5 Q. And -- now let's talk about the boat. There is nothing			5 A. Yes.		
6 wrong with having a boat in general, right?			6 Q. It says that they are funds originating from Fenero MSSI,		
7 A. Right.			7 correct?		
8 Q. And there's definitely nothing wrong with having a boat if			8 A. Correct.		
9 you intend to use it for business development; isn't that true?			9 Q. But, that first watch that we just looked at, that was not		
10 A. I guess so.			10 from either Fenero or MSSI, that was from Mark Scott PL; isn't		
11 Q. Let's see if we can focus in a little closer. Perhaps that			11 that correct?		
12 exhibit that I'm thinking about is 2618. Perhaps that's the			12 A. Traced back to IMS.		
13 one I'm thinking.			13 Q. Right. This says Fenero MSS. It doesn't say IMS.		
14 MR. GARVIN: And would you be kind enough, Mr. Barile,			14 A. Right.		
15 to focus on that entry to the far left. Thank you, sir.			15 Q. Correct?		
16 Q. So this is the one that I was telling you kind of caught my			16 A. Correct.		
17 eye before. You recognize the Fenero Funds received the			17 Q. That's not accurate, correct?		
18 funding between June and October of 2016, correct?			18 A. It's still part of the IMS funding.		
19 A. Right. But there were other funding.			19 Q. I understand. But, just so the ladies and gentlemen of the		
20 (Continued on next page)			20 jury are not confused. The 281,000 did not come from Fenero or		
21			21 MSSI. In particular that 21,500 that we are talking about		
22			22 right now came from Mark Scott PL. Correct?		
23			23 A. That is correct.		
24			24 MR. GARVIN: Okay. Now Mr. Barile, if you would be		
25			25 kind enough to increase the size of the far left bottom watch.		

JB33SC03	October - Cross	Page 1757	JB33SC03	October - Cross	Page 1759
1 Yes. Thank you, sir.			1 Locke Lord accounts.		
2 Q. And this watch also shows a date that is before the Fenero			2 Q. Ultimately, the funds went to Zala Group at an account that		
3 Fund got funded, right?			3 you have listed there in the Emirates; is that correct?		
4 A. Right, also IMS funds.			4 A. Yes.		
5 Q. All right. So it did not come from Fenero Fund or MSSl,			5 Q. And isn't it also true that Mr. Scott is not a signatory on		
6 right?			6 that account?		
7 A. Correct.			7 A. I do not have records for that account as well.		
8 MR. GARVIN: If you could please take that down, sir.			8 Q. Thank you. Could you please put up 2626, sir. Thank you.		
9 And I think we can take down the entire chart. So, I want to			9 Would it be fair to say that you have not seen any		
10 go back and try to go a little bit quicker with these next			10 documentation whatsoever that Mr. Scott ever met Linda Cohen?		
11 couple. Can we please put up 2621.			11 Isn't that true?		
12 Q. This is the Locke Lord related issue, is it not?			12 A. I have no documentation of that.		
13 A. Yes.			13 Q. And Mr. Scott, there is nothing with Mr. Scott's name to		
14 Q. So I'm starting on the far left-hand side, the funds get			14 suggest that he was involved in the funds being at HSBC Bank,		
15 started with Noor Bank RavenR. Mr. Scott was not a signatory			15 United States NA; isn't that correct?		
16 for that account; is that correct?			16 A. Correct.		
17 A. I do not have records for the Noor account.			17 Q. And there's nothing to suggest that Mr. Scott was involved		
18 Q. Let's go to the one below it. The Zala Group Comerica			18 when Linda Cohen transferred \$22,577.29 to TD Bank; isn't that		
19 Bank. Mr. Scott was not a signatory for that either?			19 correct?		
20 A. Correct.			20 A. I don't have any records for that.		
21 Q. And I'm imagining your answer would be the same for the			21 Q. And Mr. Scott was not a signatory on the TD Bank account;		
22 Noor Bank below; is that right? You don't have the records for			22 isn't that true?		
23 it?			23 A. Correct.		
24 A. I do not have the records for Noor Bank.			24 Q. And Mr. Scott was not a signatory on the bank account of		
25 Q. Let's go to the right. And it says Regions Bank Zala			25 First Financial Bank, formerly Bannockburn Global Forex. Isn't		
JB33SC03	October - Cross	Page 1758	JB33SC03	October - Cross	Page 1760
1 Group. Mr. Scott was not a signatory on that account; isn't			1 that true?		
2 that right?			2 A. That is true.		
3 A. Right, correct.			3 Q. And Mr. Scott was not a signatory authority on United		
4 Q. And the one below that has a different account number,			4 Overseas Bank that you have referenced there at 6682. Isn't		
5 slightly, Regions Bank Zala. Mr. Scott was not a signatory for			5 that true?		
6 that either?			6 A. That's correct.		
7 A. Correct.			7 Q. And Mr. Scott was not a signatory on the Kreissparkasse		
8 Q. There are no records to show or -- excuse me. Let me			8 Steinfurt Bank number 6108. Isn't that true?		
9 rephrase that.			9 A. Correct.		
10 There are no records that you've seen in preparation			10 Q. From the records that we have on this particular chart,		
11 of your testimony here today that Mr. Scott participated in any			11 Mr. Scott's name is nowhere, correct?		
12 of these transfers; isn't that correct?			12 A. I did not see his name on any of the accounts on this		
13 A. Well, he was only on the e-mails for the Locke Lord			13 chart.		
14 transfers.			14 Q. Can we please take that down, sir. Okay.		
15 Q. Right. Okay. So, the transfers before?			15 You had five exhibits and I am going to try to do this		
16 A. Before.			16 all in one time. 2617-A, B, D and E. I guess it was four.		
17 Q. It's an accurate statement what I just said, right?			17 Maybe we skipped C.		
18 A. That I haven't seen, yes.			18 Those were real estate transactions that Mr. Scott		
19 Q. So now let's go to Locke Lord account. Who is the			19 participated in, correct?		
20 signatory for the Locke Lord trust account?			20 A. Correct.		
21 A. I'm not sure.			21 Q. And three of those real estate transactions actually went		
22 Q. The two Locke Lord accounts that you have here, isn't it			22 to closing, correct?		
23 accurate to say that Mr. Scott was not a signatory on either			23 A. Correct.		
24 one of those accounts?			24 Q. One fell through, right?		
25 A. I don't have the account opening records for either of the			25 A. Right.		

JB3SC03	October - Cross	Page 1761	JB3SC03	October - Redirect	Page 1763
1 Q. So whatever deposit he put on that particular entity went			1 A. I can't speak to that.		
2 back into Nicole Huesmann's trust account, correct?			2 Q. So, when you told the ladies and gentlemen of the jury that		
3 A. It was transferred -- it wasn't reflected on the chart, but			3 Mr. Scott had authority for all of the accounts, that was not		
4 it was transferred back to Mr. Scott.			4 quite accurate. Is that correct?		
5 Q. He didn't lose that money?			5 A. His name was on the signature cards for all of those		
6 A. Right.			6 accounts.		
7 Q. I say that just because I don't want to be double counting.			7 Q. All right.		
8 A. Right.			8 MR. GARVIN: Your Honor, may I confer with counsel for		
9 Q. So, and then there was the condominium that he lives in			9 one moment? I think I may be done.		
10 that they paid off the mortgage that had a balance of about a			10 THE COURT: Very well.		
11 million dollars, correct?			11 MR. GARVIN: Your Honor, I have no further questions.		
12 A. Correct.			12 Thank you, ma'am.		
13 Q. So the three properties that were waterfront properties,			13 THE WITNESS: Thank you.		
14 did you recognize at any point that those appeared to be			14 THE COURT: Any redirect?		
15 investment properties?			15 MS. LOZANO: Yes, your Honor.		
16 A. I'm not sure the purpose of those purchase.			16 REDIRECT EXAMINATION		
17 Q. Did you see any of them were rented out?			17 BY MS. LOZANO:		
18 A. No, I did not.			18 Q. Ms. October, you were asked on cross-examination by counsel		
19 Q. There is nothing wrong with buying property that you think			19 about Fenero Fund mission statement, manager fees, and carried		
20 will appreciate in value, is there?			20 interest. Do you remember that?		
21 A. I guess not, no.			21 A. Yes.		
22 Q. You have, you went through five vehicles which we've			22 Q. To be clear, the 8 percent that's mentioned in the mission		
23 already discussed, 2619-A through E. Correct?			23 statement is calculated on what?		
24 A. Correct.			24 A. I have to look at it again. I'm sorry.		
25 Q. And you did recognize that some of those vehicles are			25 Q. Can we pull it up 2201, page seven.		
JB3SC03	October - Cross	Page 1762	JB3SC03	October - Redirect	Page 1764
1 actually collectors items; isn't that right?			1 A. The 8 percent is carried interest pari passu with the		
2 A. I'm not familiar with brand name cars, so I can't speak to			2 investors upon exit.		
3 that.			3 Q. And carried interest is, as you testified previously,		
4 Q. All right. So, when you put up \$600,000 for a Porsche 911			4 calculated on profit only, correct?		
5 GT2 RS, you didn't think one way or the other that that might			5 A. Profit only, yes.		
6 be a car that's for investment purposes as opposed to actually			6 Q. That percentage that is articulated in the mission		
7 driving?			7 statement is the manager's percentage of the profit earned on		
8 MS. LOZANO: Objection.			8 the investments, right?		
9 THE COURT: Sustained.			9 A. Correct.		
10 Q. So do you know if any of the cars are investor items or			10 Q. And that's because that fee is meant to be an incentive for		
11 not?			11 managers --		
12 A. I do not know the purpose of the car.			12 MR. GARVIN: I object to the leading.		
13 Q. At one point during your testimony on direct you stated			13 THE COURT: It's redirect.		
14 that Mr. Scott had signature authority over all of the Fenero			14 Q. And that is because this fee is meant to be an incentive to		
15 Equity Investment bank accounts. Do you recall that?			15 fund managers running real investment funds to earn returns or		
16 A. Yes.			16 profits for their investors, right?		
17 Q. But, isn't it also true that during the period of time that			17 A. That's accurate.		
18 Apex was a fund manager, Mr. Scott did not have signature			18 Q. Focusing -- we can take that down. Thank you.		
19 authority over the Fenero Funds that Apex controlled?			19 Focusing on, you mentioned that you saw evidence of a		
20 A. I can't speak to that. I'm not sure.			20 loan given to DMS and repaid.		
21 Q. Isn't it also true that the accounts that were controlled			21 A. Yes.		
22 by JP Fund Administrator -- I think it's JP Integra but I think			22 Q. Is it fair to say that the repayment included some sort of		
23 I've seen it written here as JP Fund Administrator on their			23 interest or profit?		
24 accounts -- they are the ones who had the signature authority			24 A. Yes.		
25 for the Fenero Equity Investment Fund, not Mr. Scott?			25 Q. Were there additional transactions that you identified in		

<p>JB3SC03 October - Redirect Page 1765</p> <p>1 the entirety of your financial analysis that identified profit 2 made by Fenero and returned to the investors? 3 A. There was only one instance. 4 Q. What was that? 5 A. That was the return of, with IG markets and I'm sorry. The 6 Cowen transfers. I think there was a profit of either 29,000 or 7 26,000. Somewhere in that range. 8 Q. You were asked on cross-examination about -- I think can we 9 pull up 2604, please. You were asked on cross-examination 10 about the \$30 million being sent to Barta Holdings. 11 A. Correct. 12 Q. And you were asked whether during this time period, on the 13 chart, the June to August 2016, you had not seen repayment of 14 that loan? 15 A. I did not. 16 Q. I would ask you a different question. During your analysis 17 of the entirety of the period bank records you analyzed from 18 May 2016 to July 2018, did you see evidence of repayment of 19 that loan? 20 A. I did not. 21 MS. LOZANO: We can take that down, and if we can put 22 up first 2701, page five. And if we can highlight I think we 23 want to go to the last page, actually. If we could highlight 24 that bottom entry. 25 Q. Ms. October, are you aware that the defendant was arrested</p>	<p>JB3SC03 Page 1767</p> <p>1 BY MR. GARVIN: 2 Q. Ms. October, you have a background with the IRS, correct? 3 A. I worked for the IRS as a contractor for 18 months. 4 Q. You know that October 15 is the deadline for filing a tax 5 return, correct? 6 A. For extensions. 7 Q. And that if you made money at all, at any point in time 8 during 2018, you have to file that tax return no later than 9 October 15, 2019, correct? 10 A. Right. 11 Q. If you file it on October 15, 2019, then you are complying 12 with the mandate of the Internal Revenue Service laws; isn't 13 that correct? 14 A. Yeah. 15 MR. GARVIN: I have no further questions, thank you. 16 THE COURT: Ms. October, you may step down. 17 THE WITNESS: Thank you. 18 (Witness excused) 19 THE COURT: Government, please call your next witness. 20 MR. DiMASE: Your Honor, we have some exhibits to 21 introduce before the next witness. 22 THE COURT: Okay. 23 MR. DiMASE: First I'd like to offer again Exhibits 24 506 through 513, and 517 through 537. 25 MR. DEVLIN-BROWN: No objection.</p>
<p>JB3SC03 October - Redirect Page 1766</p> <p>1 in September of 2018? 2 A. Yes. 3 Q. Take that down. 4 Counsel asked you on cross-examination about the 5 defendant's 2018 tax returns, right? 6 A. Yes. 7 Q. Do you remember that? 8 A. Yes. 9 Q. So can we pull up DX 701, and scroll to page 13. On this 10 form, how much in line one does the defendant claim as adjusted 11 gross income? 12 A. 29,695,405. 13 Q. At the bottom could we please highlight the filing date of 14 October 15, 2019. 15 Ms. October, are you aware that October 15, 2019, is 16 approximately two weeks before this trial started? 17 A. Yes. 18 Q. Are you aware that that date, the filing of these tax 19 returns occurred approximately one year after the defendant was 20 arrested? 21 A. Yes. 22 MS. LOZANO: One moment, your Honor. I have no 23 further questions. Thank you, Ms. October. 24 MR. GARVIN: One or two follow up. 25 RECROSS EXAMINATION</p>	<p>JB3SC03 Page 1768</p> <p>1 THE COURT: They will be received. 2 (Government's Exhibit 506 through 513, 517 through 537 3 received in evidence) 4 MR. DiMASE: I would also offer exhibits 1363 and 5 1125, and if counsel would like to see them we can show each of 6 them on the screen briefly. 7 MR. DEVLIN-BROWN: Could you. Can we see them again. 8 MR. DiMASE: Sure. 9 MR. DEVLIN-BROWN: No objection. 10 THE COURT: They will be received. 11 (Government's Exhibit 1363, 1125 received in evidence) 12 MR. DiMASE: And the government also offers Exhibits 13 1226, 1289, 1134, and 1007. 14 MR. DEVLIN-BROWN: One second. Would you mind going 15 back to 1226. Can we see 1134 and 1007. 16 No objection, other than with respect to Government 17 Exhibit 1007, that also had been marked, as the Court knows, as 18 Defense Exhibit 103. We'd like it introduced under both 19 numbers. 20 THE COURT: Very well. Those exhibits will be 21 received. 22 (Government's Exhibit 1226, 1289, 1134, 1007 received 23 in evidence) 24 MR. DiMASE: We'd like to publish these to the jury. 25 THE COURT: Very well.</p>

EXHIBIT B

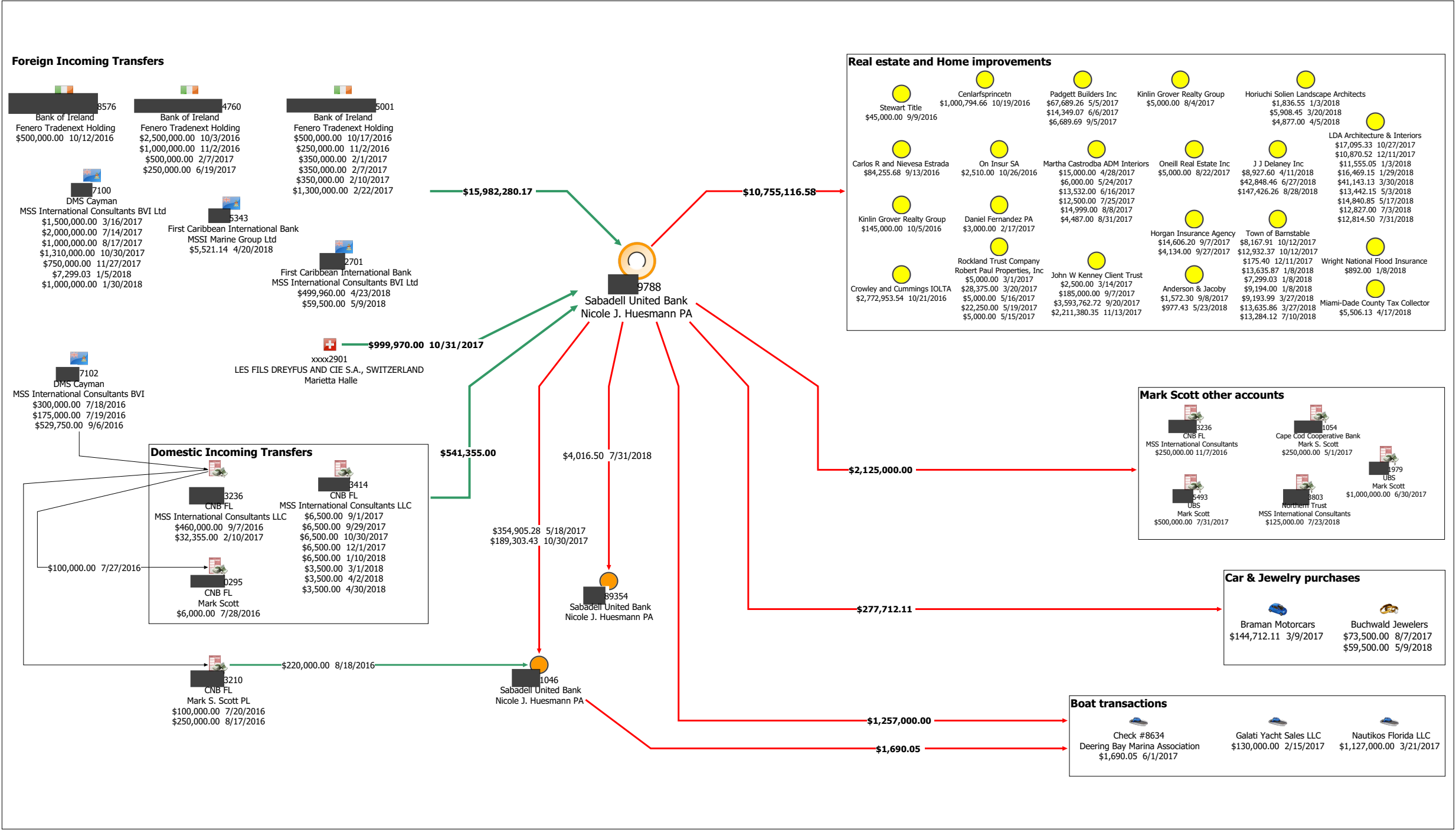


EXHIBIT C

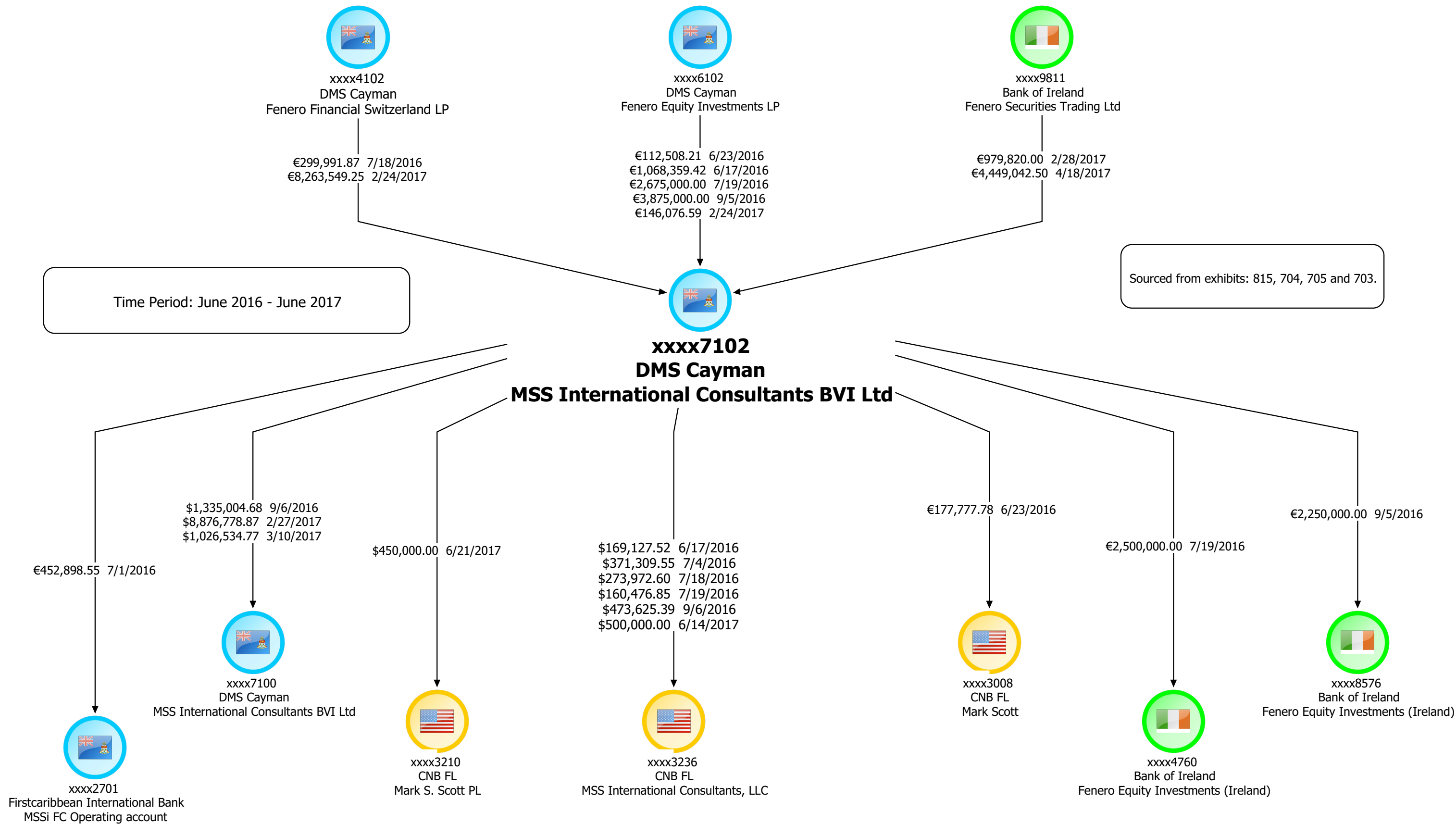


EXHIBIT D

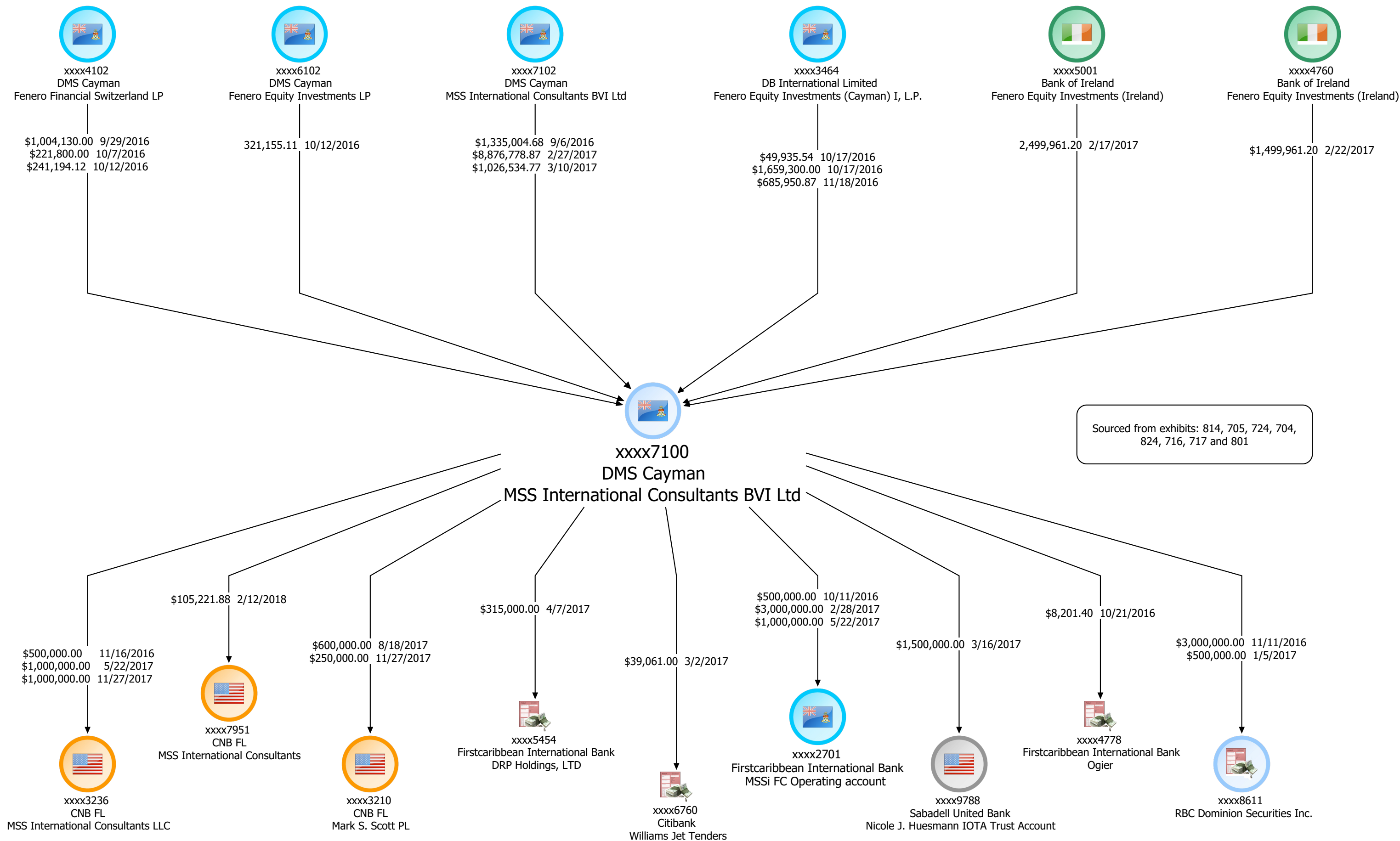


EXHIBIT E

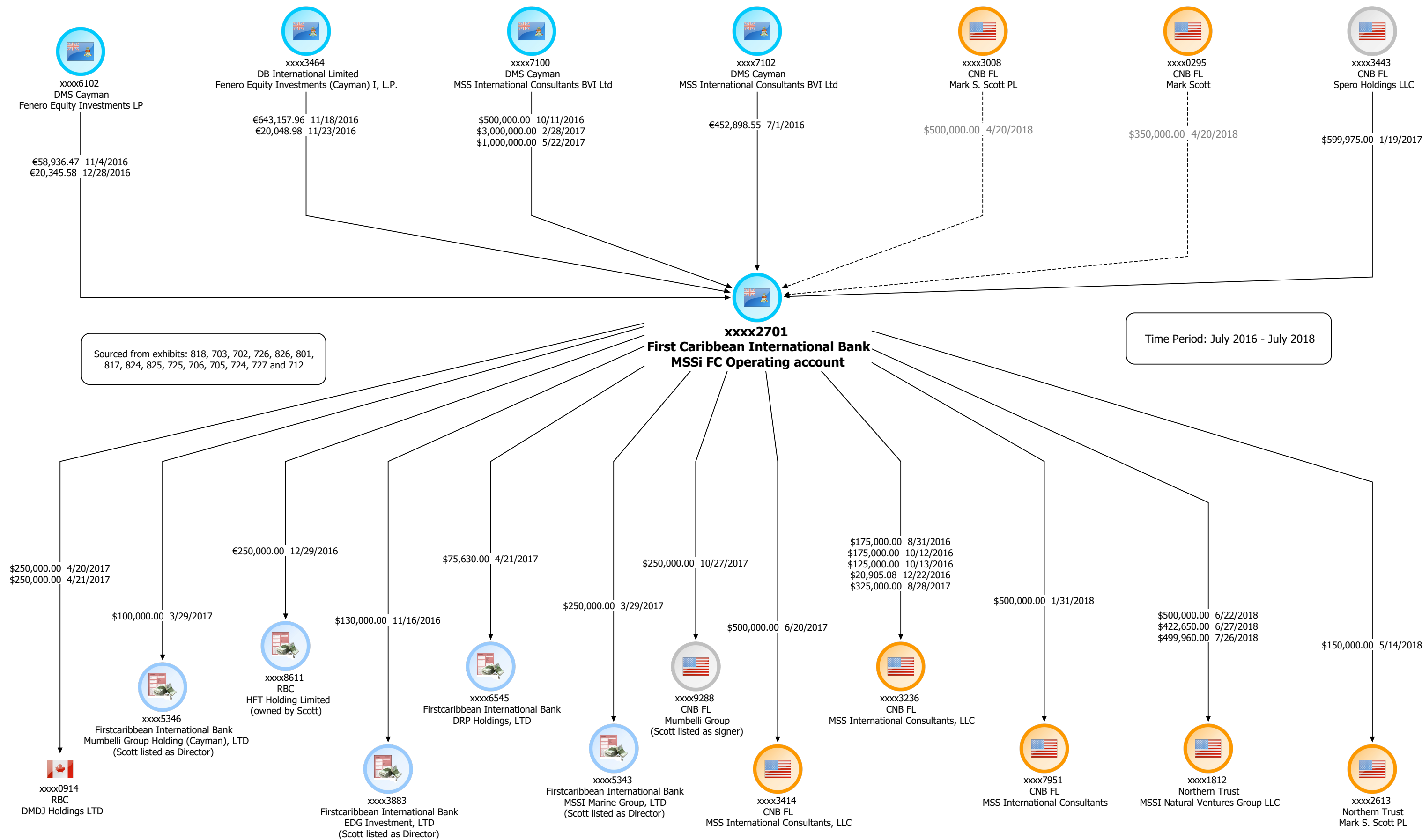


EXHIBIT F

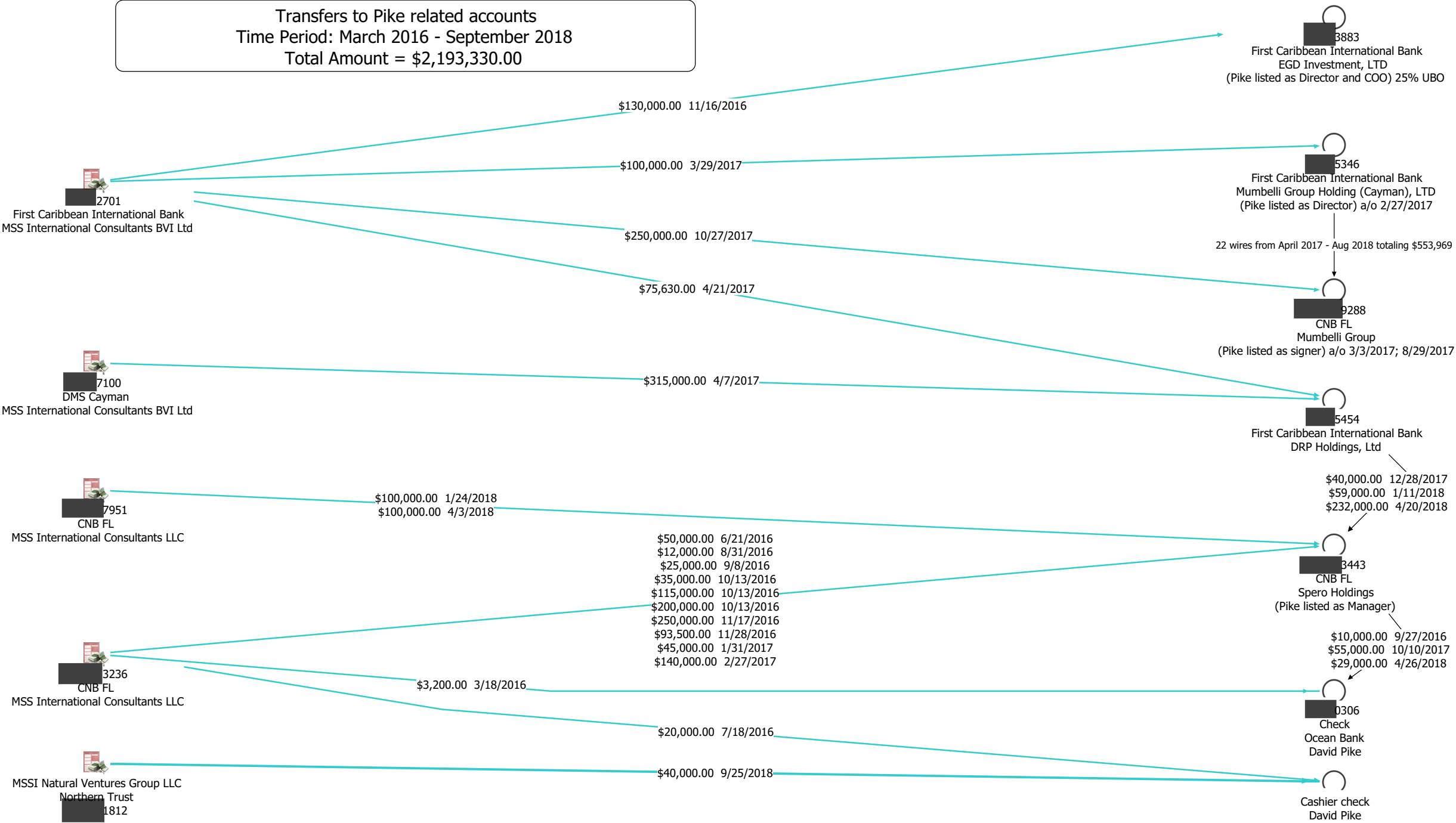


EXHIBIT G

RBC Flow of funds
Time Period: November 2016 - June 2018

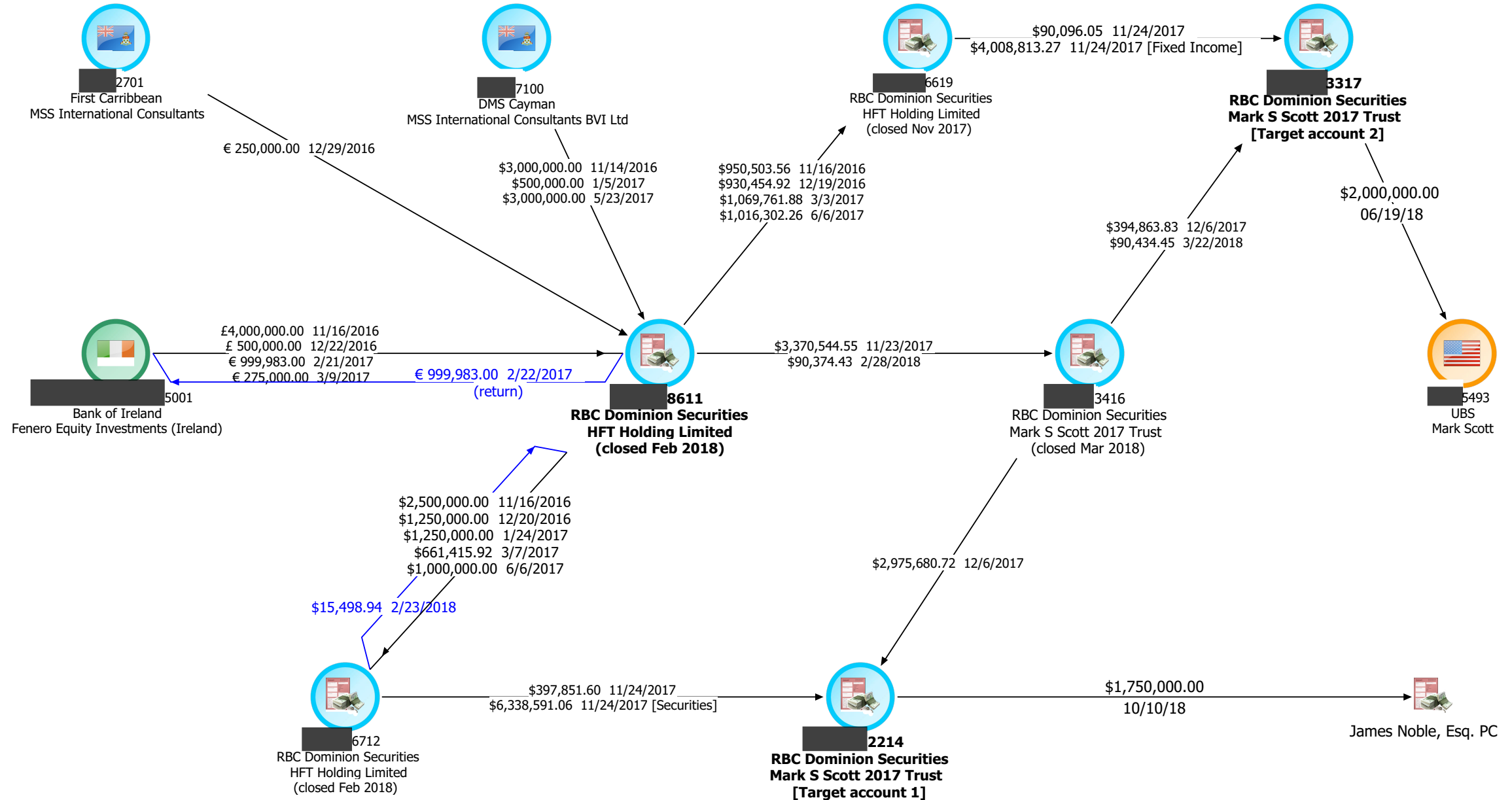


EXHIBIT H

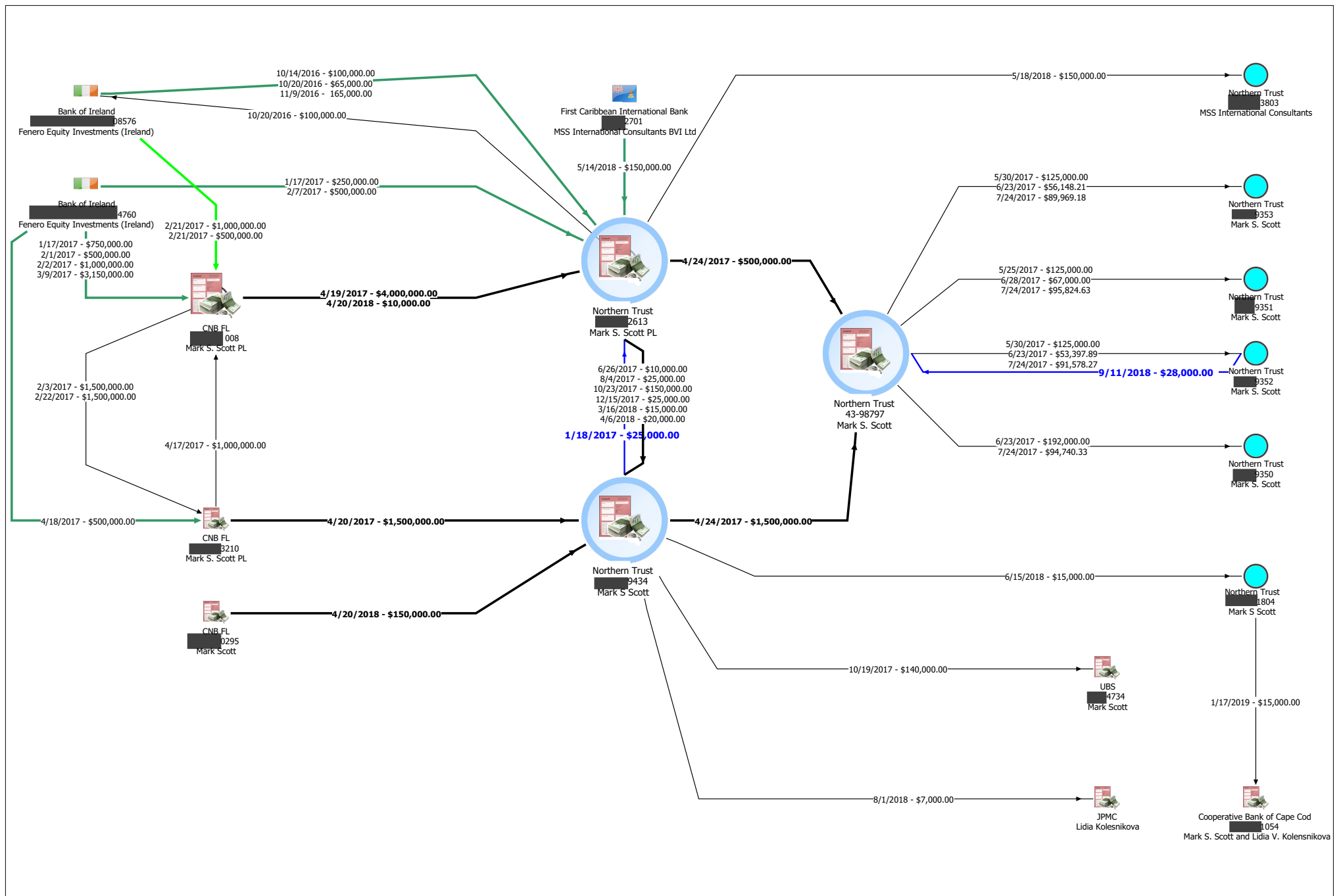


EXHIBIT I

Transfers to Ocean Bank account [REDACTED] 0306
 Time Period: September 2016 - April 2018
 Total Amount = \$97,200.00

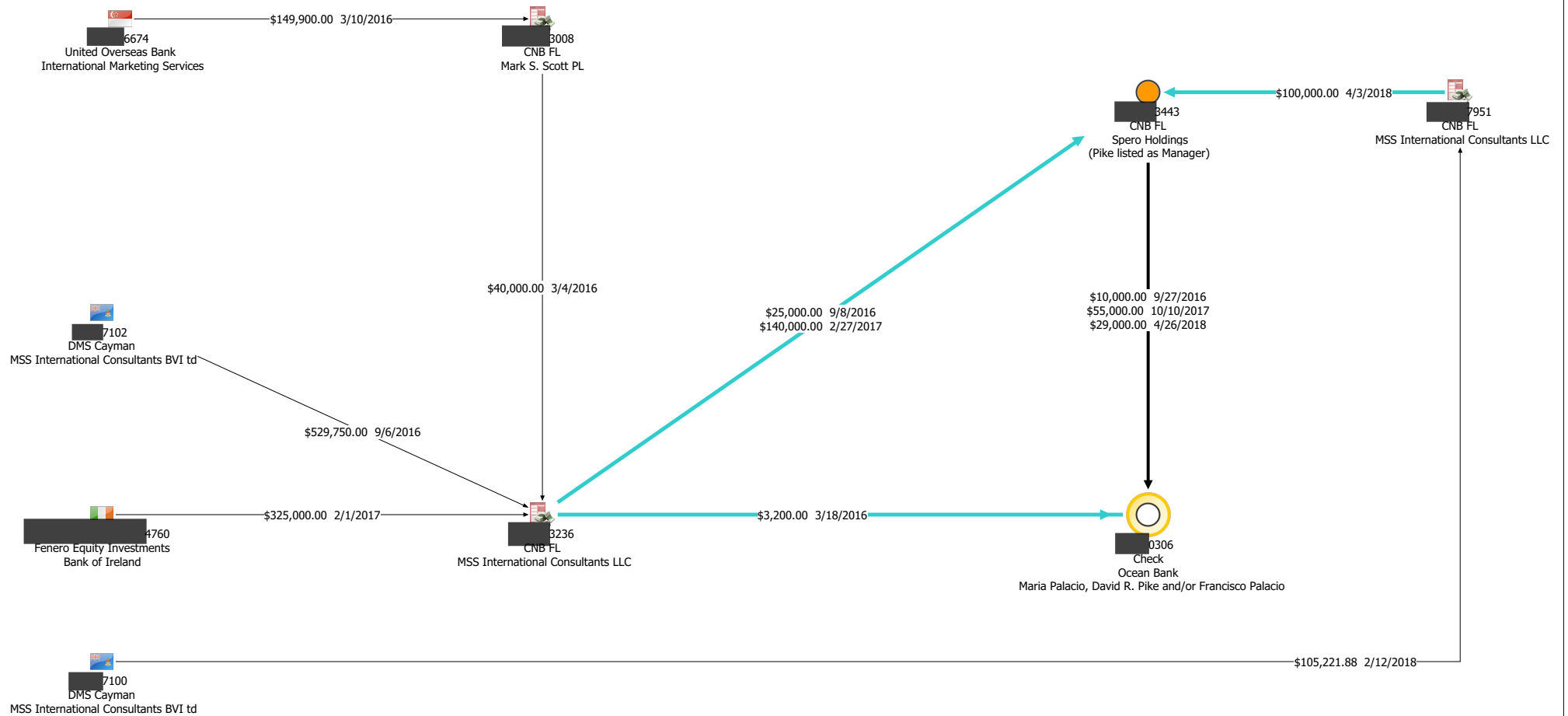


EXHIBIT J

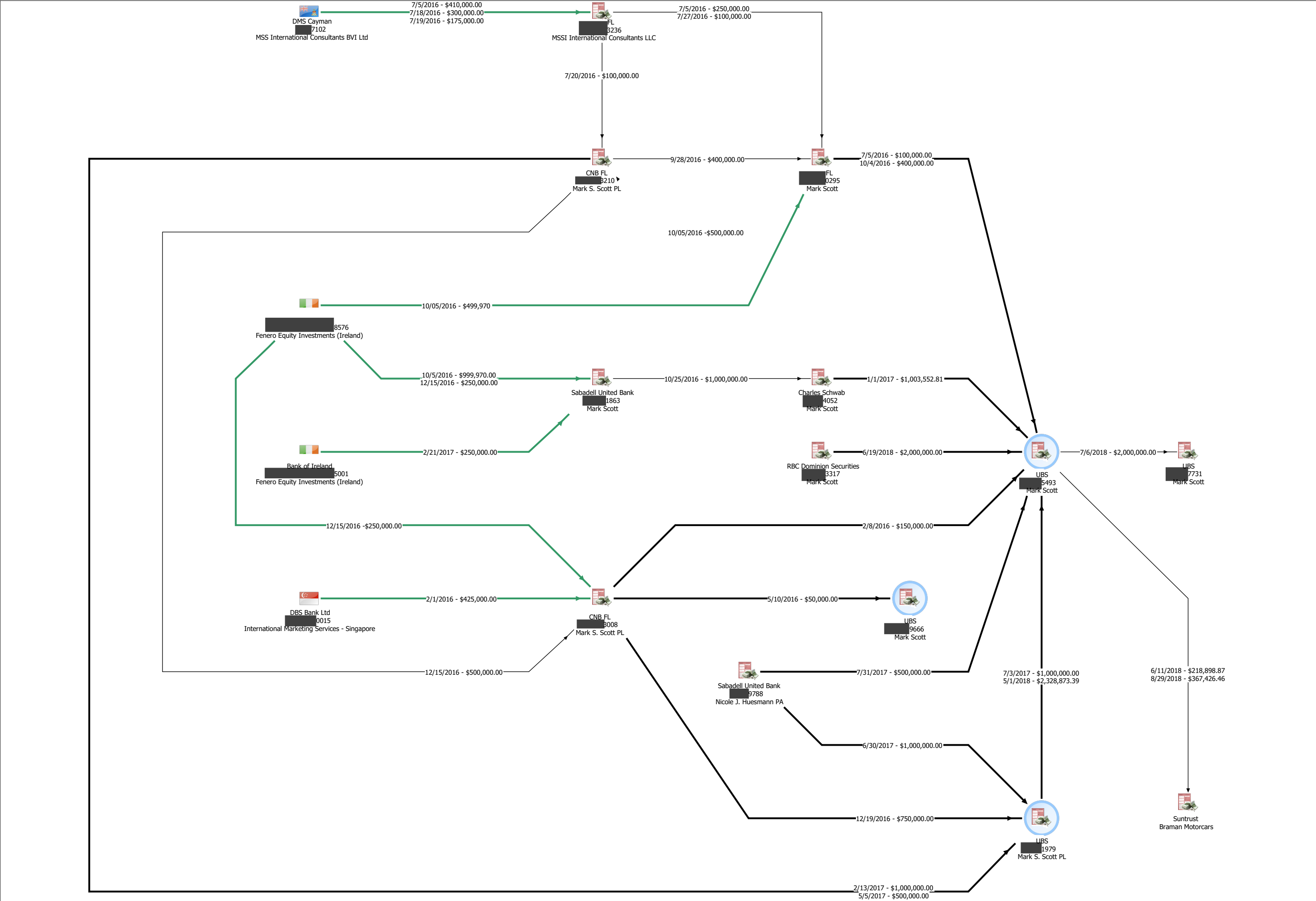


EXHIBIT K

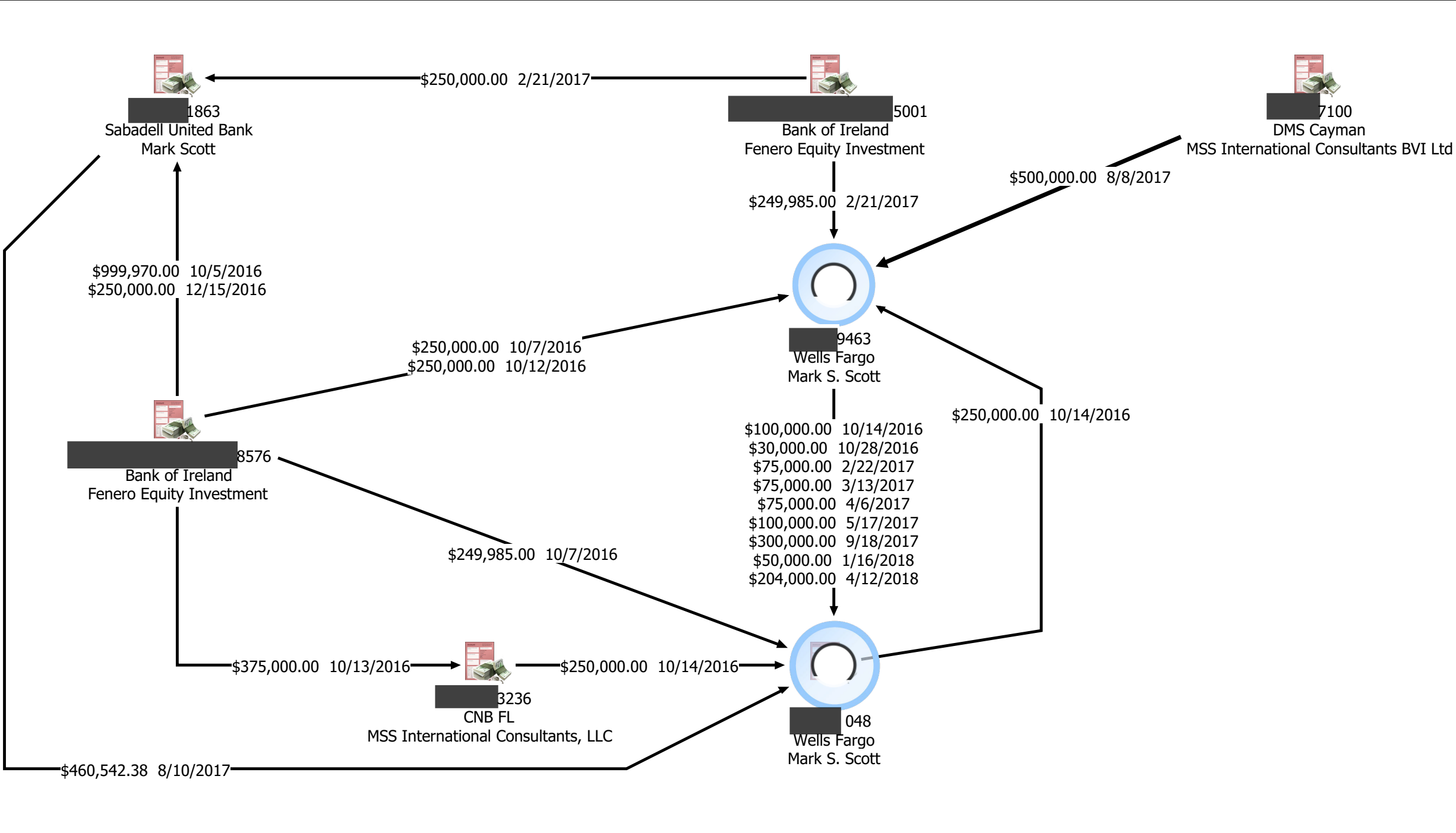


EXHIBIT L

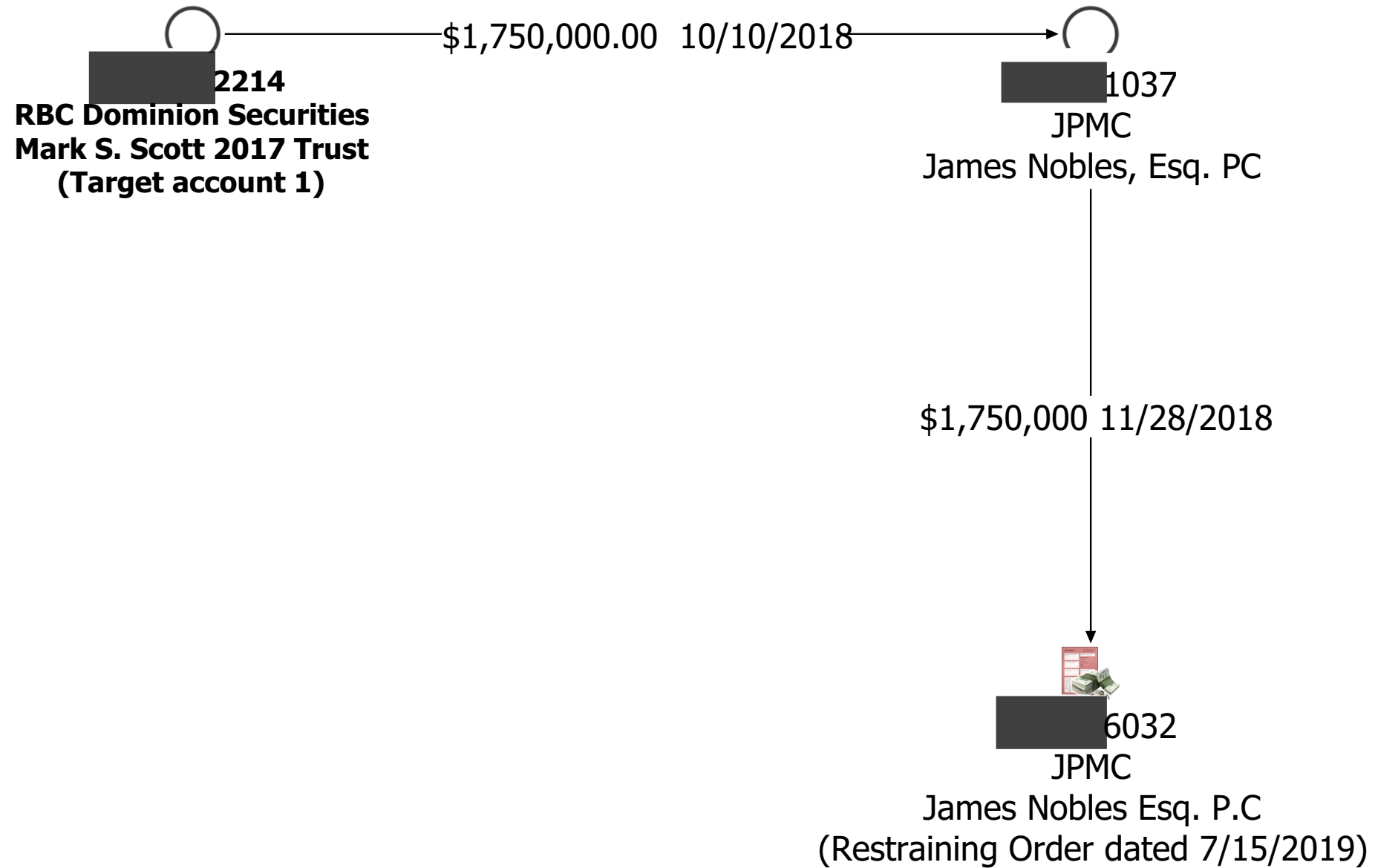


EXHIBIT M

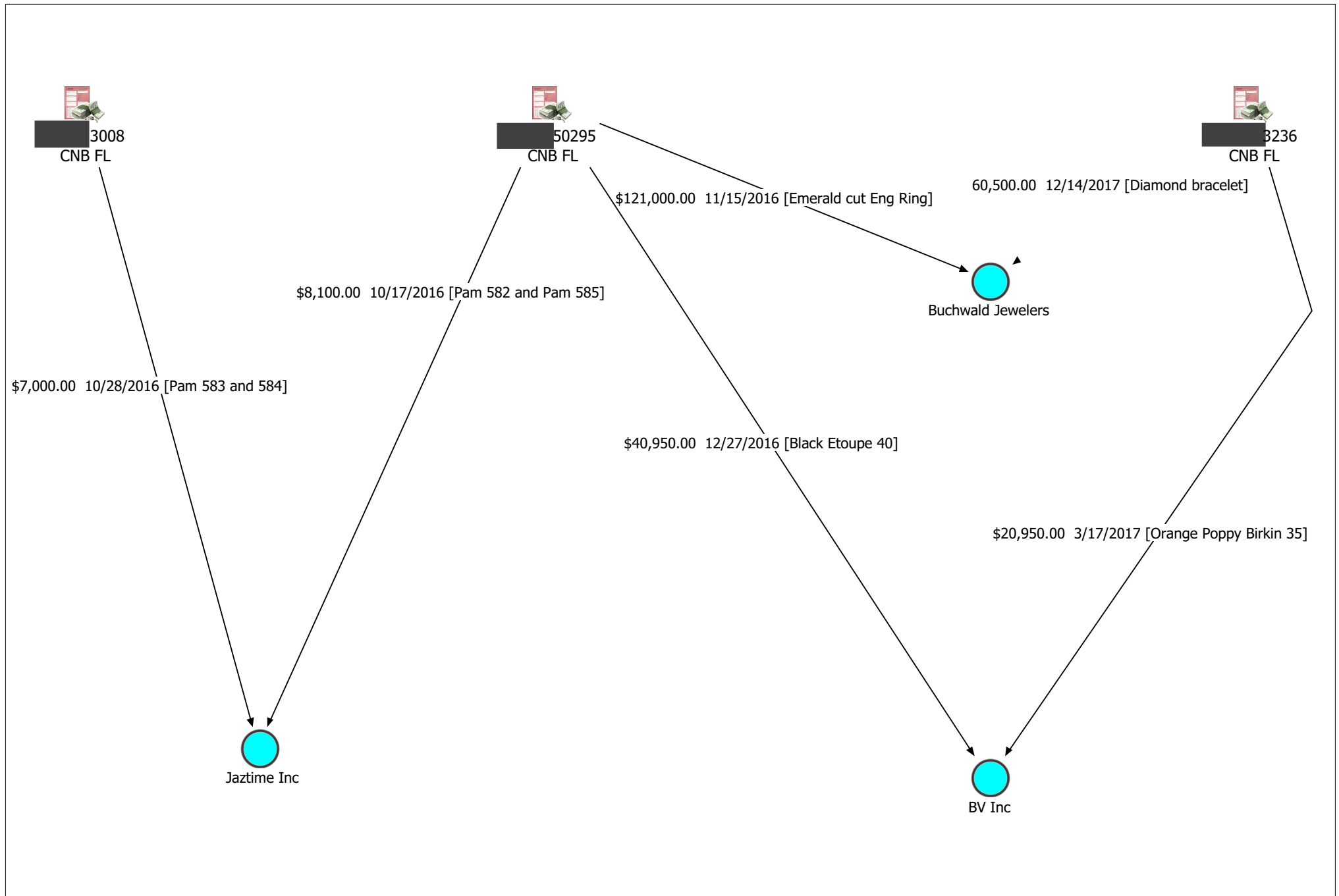


EXHIBIT 6

To: Irina Dilkinska[irina.dilkinska@ravenr.com]
From: Mark S. Scott
Sent: Thur 10/20/2016 10:52:03 AM
Subject: Amended Loan
Scan0007.pdf



Hi Irina,

There was a Euro 5.0 Mio distribution made as per the boss a few weeks ago. We need to paper this deal for our administrator.

Please initial each page and execute the document. Please e-mail me a scan copy and also courier the original. It would be good to use the company stamp or get your signature certified.

Best,

Mark

Mark S. Scott
Chief Executive Officer

MSS International Consultants (BVI), Ltd.
BVI Registered and Approved Fund Manager

Ritter House
Wickhams Cay II, PO Box 3170
Road Town, Tortola
British Virgin Islands, VG1110

Email Address: msscott@msicbvi.com

Attention: MSS International Consultants (BVI), Ltd.

Tel. +1-305-587-4030

Fax +1 786-513-7770

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October 20, 2016

(1) B&N CONSULT EOOD AS LENDER

AND

(2) MSS INTERNATIONAL CONSULTANTS (BVI), LTD AS BORROWER

FACILITY III AGREEMENT

nss

THIS FACILITY III AGREEMENT (the **Agreement**) is entered into on October 20, 2016

BY:

- (1) **B&N CONSULT EOOD** a company under the laws of the Republic of Bulgaria and having its registered office at 6'A P.R. Slaveikov sq, Sofia, Republic of Bulgaria (the **Lender**); and
- (2) **MSS INTERNATIONAL CONSULTANTS (BVI), LTD** a company incorporated in the British Virgin Islands with company number 1907282 and having its registered office at Nemours Chambers, PO Box 3170, Road Town, Tortola, British Virgin Islands (the **Borrower**).

WHEREAS

- A. the Lender has already made available to the Borrower two term loan facilities for an aggregate loan amount €6,550,000 (the **Original Facility**) on and subject to the terms and conditions of two separate Facility Agreements, with the first one dated July 27, 2016 and a commitment letter, dated July 11, 2016, attached thereto.
- B. the Lender and the Borrower, based on further contemplation of administrative and other needs of both parties, have decide to enter into this subsequent Facility Agreement (**Facility III**)
- B. the Lender and Borrower agree that the Facility III shall also only be repayable upon the liquidation of Fenero Equity Investments L.P (**FEI**) and that any such repayment shall come only from the proceeds of such liquidation, calculated prior to any distributions.

NOW IT IS HEREBY AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, the following words and phrases have the following meanings:

Advance : the additional advance of €5,000,000 made or to be made by the Lender under this Agreement.

Final Repayment Date : the 1st anniversary of the date on which FEI is dissolved and all proceeds distributed, as long as sufficient funds are available from profits. Otherwise new terms shall be found.

Loan : the aggregate principal amounts made from the Original Facility for the time being outstanding hereunder and comprising the Advance made pursuant to this Facility III Agreement.

Repayment Date : means the date on which Fenero Equity Investments L.P is dissolved in accordance with the laws of the British Virgin Islands.

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1.2 Interpretation

1.2.1 Any reference in this Agreement to:-

- (a) this **Agreement** or to any other agreement or document shall, unless the context otherwise requires, be construed as a reference to this Agreement or such other agreement or document as the same may from time to time be amended, varied, supplemented, novated or replaced;
- (b) the **assets** of any person shall be construed as a reference to all or any part of its business, operations, undertaking, property, assets, revenues (including any right to receive revenues) and uncalled capital;
- (c) a **business day** is a reference to a day (other than a Saturday or Sunday) on which the banks are open for business in the British Virgin Islands;
- (d) the **Lender** shall be construed as a reference also to its successors and/or assigns;

1.2.2 Any reference in this Agreement to any statute or statutory provision shall, unless the context otherwise requires, be construed as a reference to such statute or statutory provision (including all instruments, orders or regulations made thereunder or deriving validity therefrom) as in force at the date of this Agreement and as subsequently re-enacted, amended, modified or consolidated.

2. THE FACILITY

- 2.1 The Loan shall not at any time exceed €11,550,000 or such other amount as the Lender may consent to in writing (including by email) from time to time.
- 2.2 The Loan shall be used by the Borrower or its affiliates for any such purpose as the Borrower shall in its sole discretion elect.

3. INTEREST

The Loan shall be non-interest bearing.

4. REPAYMENT

- 4.1 The Borrower shall repay the Loan on the Repayment Date. Any prior Lump Sums shall be forgiven.
- 4.2 The Borrower shall only be required to repay the Loan as an expense from the proceeds of Fenero Equity Investments LP due to it in accordance with the terms of the liquidation.

5. PAYMENTS

All sums payable by the Borrower under this Agreement shall be paid in full without any set-off, counterclaim, withholding or deduction and in cleared funds by no later than 11.00 a.m. on the day in question to such account as the Lender may have specified for this purpose.

6. COSTS AND EXPENSES

6.1 Initial Costs and Expenses

The Borrower shall reimburse the Lender for all costs and expenses (including legal fees) together with any taxes or other charges thereon incurred by it in connection with the negotiation, preparation and execution of this Agreement and the completion of the transactions contemplated in this Agreement and/or any amendment, variation of, novation of, supplement to, or waiver in respect of, this Agreement.

6.2 Enforcement Costs and Expenses

The Borrower shall, from time to time on demand of the Lender, reimburse the Lender for all costs and expenses (including legal fees) together with any taxes or other charges thereon incurred in or in connection with the preservation and/or enforcement of any of the rights of the Lender under this Agreement.

7. ASSIGNMENTS

Neither the Borrower nor the Lender shall not be entitled to assign all or any of its rights under this Agreement.

8. NOTICES

8.1 General

Any demand, notice or other communication or document to be made or delivered under this Agreement shall be made or delivered by telex, facsimile transmission (referred to as a "fax") or otherwise in writing. Each demand, notice, communication or other document to be made on or delivered to any party to this Agreement may (unless that other person has specified another address, telex or fax number) be made or delivered to that other person, in the case of the Lender at the address, telex or fax number (if any) set out in clause 22.2 below and, in the case of the Borrower set out in clause 22.3 below or, in either case to its registered office. Any notice given by letter shall only be deemed to have been received at the time it is delivered to the other party's address as set out in this Agreement or as otherwise advised. Any notice given by telex shall be deemed to have been received when despatched (answerback received) to the recipient's telex number most recently advised to the sender unless it is despatched by the sender after the recipient's normal working hours, in which case it shall not be deemed to have been received until the recipient's opening of business on the next business day. Any notices given by fax shall only be deemed to have been received on the business day following the day on which it was transmitted and in proving such delivery it shall be sufficient to prove that the fax was followed by such machine record as indicates that the entire fax was sent to the relevant number.

8.2 Notices to the Lender

Any notices to be sent to the Lender pursuant to this Agreement should be sent to the Lender's address on file as set forth in the official registrar in its respective country.

8.3 Notices to the Borrower

Any notices to be sent to the Borrower pursuant to this Agreement should be sent to the Borrower's address on file as set forth in the official registrar in its respective country.

9. COUNTERPARTS

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

10. LAW AND JURISDICTION

10.1 Law

This Agreement shall be governed by, and construed in accordance with, the laws of the British Virgin Islands.

10.2 Jurisdiction

10.2.1 The Borrower irrevocably agrees, for the benefit of the Lender, that the courts of the British Virgin Islands shall have jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with this Agreement and, for such purposes, irrevocably submits to the jurisdiction of such courts.

10.2.2 The submission to the jurisdiction of such courts shall not (and shall not be construed so as to) limit the right of the Lender to take proceedings against the Borrower in any other court of competent jurisdiction nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not.

[Remainder of page intentionally left blank. Signature page to follow.]

IN WITNESS whereof the parties have executed this Facility III Agreement on the day and year first above written.

THE BORROWER

EXECUTED by)
MSS INTERNATIONAL CONSULTANTS (BVI) LTD

acting by its authorised signatory.))

.....)
Mark S. Scott, CEO

THE LENDER

EXECUTED by)
B&N CONSULT EOOD AS LENDER

acting by its authorised signatory:))

.....)

Name:

Title:

**GOVERNMENT
EXHIBIT
1434
17 Cr. 630 (ER)**

To: Dr. Ruja Ignatova[ruja@onecoin.eu]; Karl Horsburgh[karlhorsburgh@gmail.com]
From: Mark S. Scott
Sent: Mon 12/19/2016 12:53:27 AM
Subject: Re: MSS International Consultants

Best Karl and I have a call tomorrow to discuss general hypotheticals. Thereafter we need to meet.

Who is Frank?

Mark S. Scott
Chief Executive Officer

MSS International Consultants (BVI), Ltd.
BVI Registered and Approved Fund Manager

Email Address: msscott@msicbvi.com
Tel. +1-305-587-4030
Fax +1 786-513-7770

Sent from my BlackBerry Priv - the most secure mobile device

From: ruja@onecoin.eu
Sent: December 18, 2016 18:22
To: karlhorsburgh@gmail.com
Cc: msscott@msicbvi.com; frank@sandstone.lu
Subject: Re: MSS International Consultants

Gentlemen

Pls do not copy me on mails like this. We discuss better personally or over the phone
R

Sent from my iPad, please excuse the brevity and possible mistakes

On 16 Dec 2016, at 12:20, Karl Horsburgh <karlhorsburgh@gmail.com> wrote:

I have reviewed our conversation and the corporate structure you gave me and have come up with the following conclusions:

MSS International Consultants (BVI) Ltd (MSS) is the general partner in 5 Fenero limited partnerships which in turn contain exclusively RI's money. MSS also has the relationships with the banks that currently run the bank accounts for the partnerships. MSS also is the shareholder of Fenero Equity Investments (Ireland) Limited which in turn owns three other Irish companies Fenero Tradenext which is dormant, Fenero PCT which issues a credit card and Fenero Securities which is in the process of opening

brokerage accounts for Anton and Ivan to allow them to trade on stock exchanges. All of this has been financed by RI.

Our problem is that RI cannot appear as the BO of the structure and any change in the structure could cause the banks to close bank accounts if they were to find out about RI. However RI would like to ensure that her ownership of this structure is formalised and secured.

I therefore propose to create a Liechtenstein Foundation (LF) in which you will settle the shares of MSS. Initially, the beneficiary of the foundation will be a charity which will ultimately be changed to RI. The management of the LF will be one professional from Liechtenstein and two others nominated by us. We will then have the power to change the beneficiary in the future.

Any additional activity that you have with MSS will have to be moved to a new entity that you will create as you will have less of a problem creating something new and getting approval for it.

You will remain on the Board of MSS to ensure continuity and we will add two new board members who will be involved in any decisions on the management and transfer of funds in the structure.

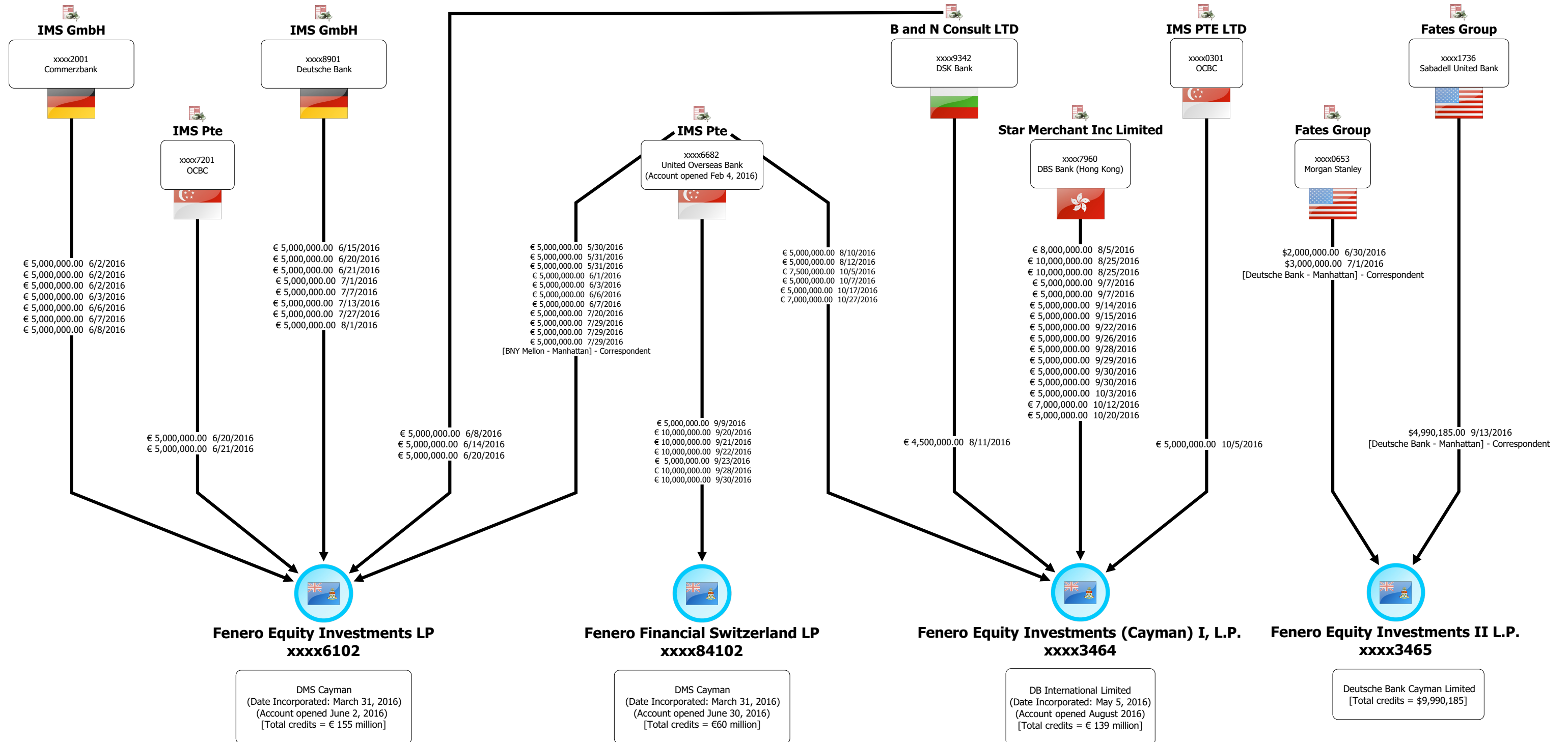
Financial matters can be discussed at a later date when we agree on the course of action.

Kind regards, Karl

Mobile (Lux) +352 621 245 215

Office (Lux) +352 20211511

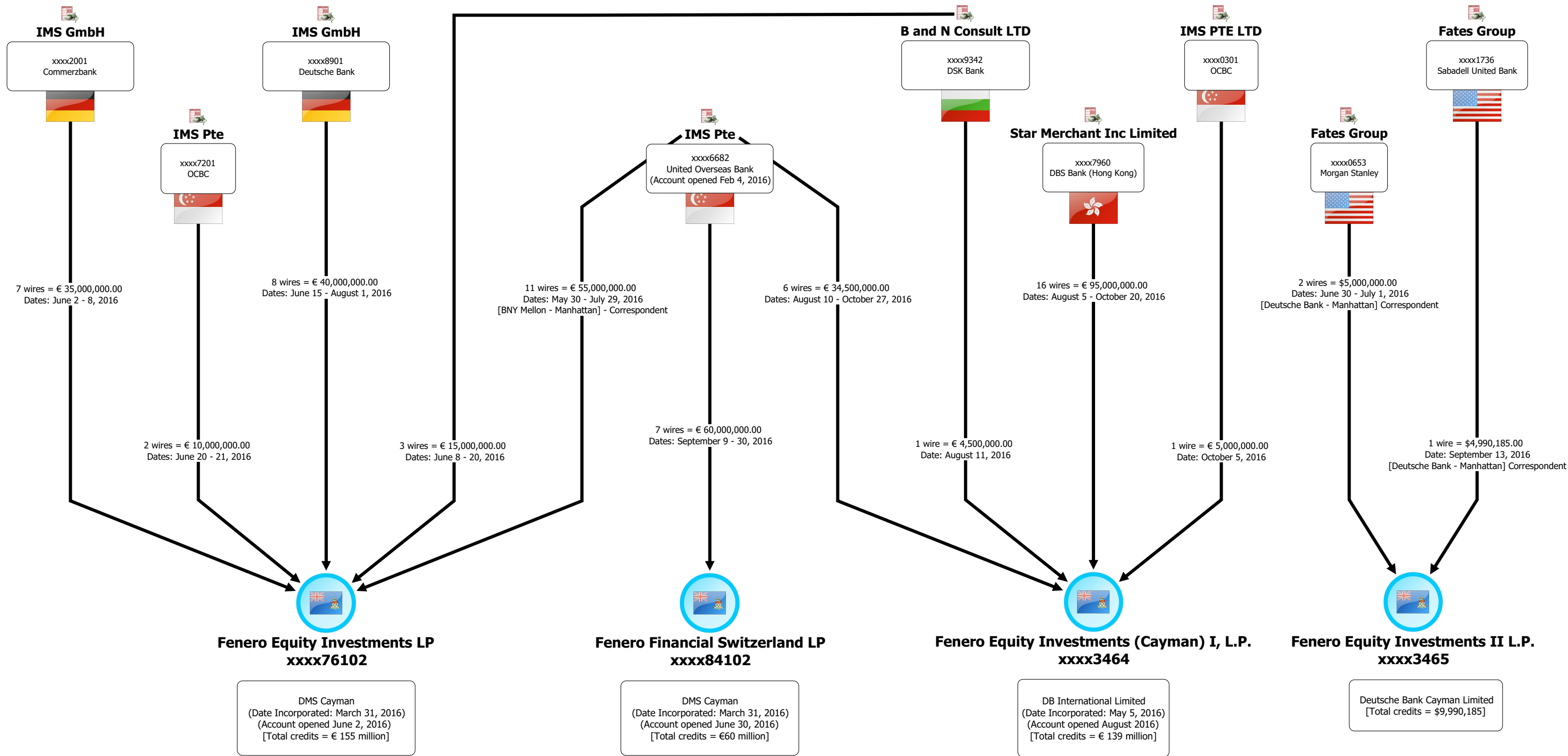
Funding of 4 Fenero Accounts totaling €354,000,000 and \$9,990,185
Time Period: May - October 2016



Sourced from exhibits: GX-812A-GX-812G, GX-813A-GX-813H, GX-809A, GX-810A, GX-811A-GX-811B, GX-816A-GX-816B, GX-820A-GX-820C, GX-720A-GX-720C, GX-806A-GX-806F, GX-808A, GX-711A-GX-711E, GX-716A-GX-716E, and GX-721A

Funding of 4 Fenero Accounts totaling €354,000,000 and \$9,990,185
Time Period: May - October 2016

**GOVERNMENT
EXHIBIT
2602-A**
17 Cr. 630 (ER)



Sourced from exhibits: GX-806A-GX806F, GX-812A-GX-812G, GX-813-GX-813H, GX-809A, GX-810A, GX-811A-GX-811B, GX-816A-GX-816B, GX-820A-GX-820C, GX-720A-GX-720C, GX-808A, GX-711A-GX-711E, GX-716A-GX-716E and GX-721A

Fenero MSSSI Foreign and Domestic Incoming Transfers

Time Period: May 2016 - July 2018

Sourced from exhibits: GX-818A-GX-818F, GX-814A-GX-814H, GX-815A-GX-815H,
GX-1701A-GX-1701B, GX-1702A-GX-1702C, GX-1703A-GX-1703C, GX-1704A-GX-1704C, GX-1705A - GX-1705C

FUNDING ACCOUNTS

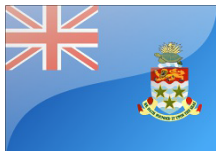
Credits: €354,000,000 and \$9,990,185

**GOVERNMENT
EXHIBIT
2603**
17 Cr. 630 (ER)

FENERO CAYMAN ACCOUNTS



INTERMEDIARY ACCOUNTS (CAYMAN AND BANK OF IRELAND)



DOMESTIC ACCOUNTS

TOTAL CREDITS: \$36,643,170.14
€1,146,576.86



FOREIGN ACCOUNTS

TOTAL CREDITS:
€309,718,932.35
\$47,884,515.34
£10,775,145.88

Fenero MSSI Foreign and Domestic Transfers
Time Period: May 2016 - July 2018

FUNDING ACCOUNTS

Credits: €354,000,000 and \$9,990,185

FENERO CAYMAN ACCOUNTS



INTERMEDIARY ACCOUNTS (CAYMAN AND BANK OF IRELAND)



Sourced from exhibits: GX-706A-GX-706E, GX-703A-GX-703F, GX-705A-GX-705G, GX-704A-GX-704F, GX-702A-GX-702E, GX-724A-GX-724F, GX-712A-GX-712F, GX-727A-GX-727G, GX-728A-GX-728E, GX-729A-GX-729B, GX-716A-GX-716E, GX-717A-GX-717G, GX-817A-GX-817F, GX-801A-GX-801D, GX-824A-GX-824F, GX-825A-GX-825F, GX-826A-GX-826F, GX-807A, GX-720A-GX-720C, GX-818A-GX-818F, GX-814A-GX-814H, GX-815A-GX-815H, GX-812A-GX-812G, GX-813A-GX-813H, GX-809A, GX-810A, GX-1701A-GX-1701B, GX-1702A-GX-1702C, GX-1703A-GX-1703C, GX-1704A-GX-1704C, GX-1705A - GX-1705C

GOVERNMENT
EXHIBIT
2603-A
17 Cr. 630 (ER)

Domestic Accounts Total Credits \$36,643,170.14 / €1,146,576.86

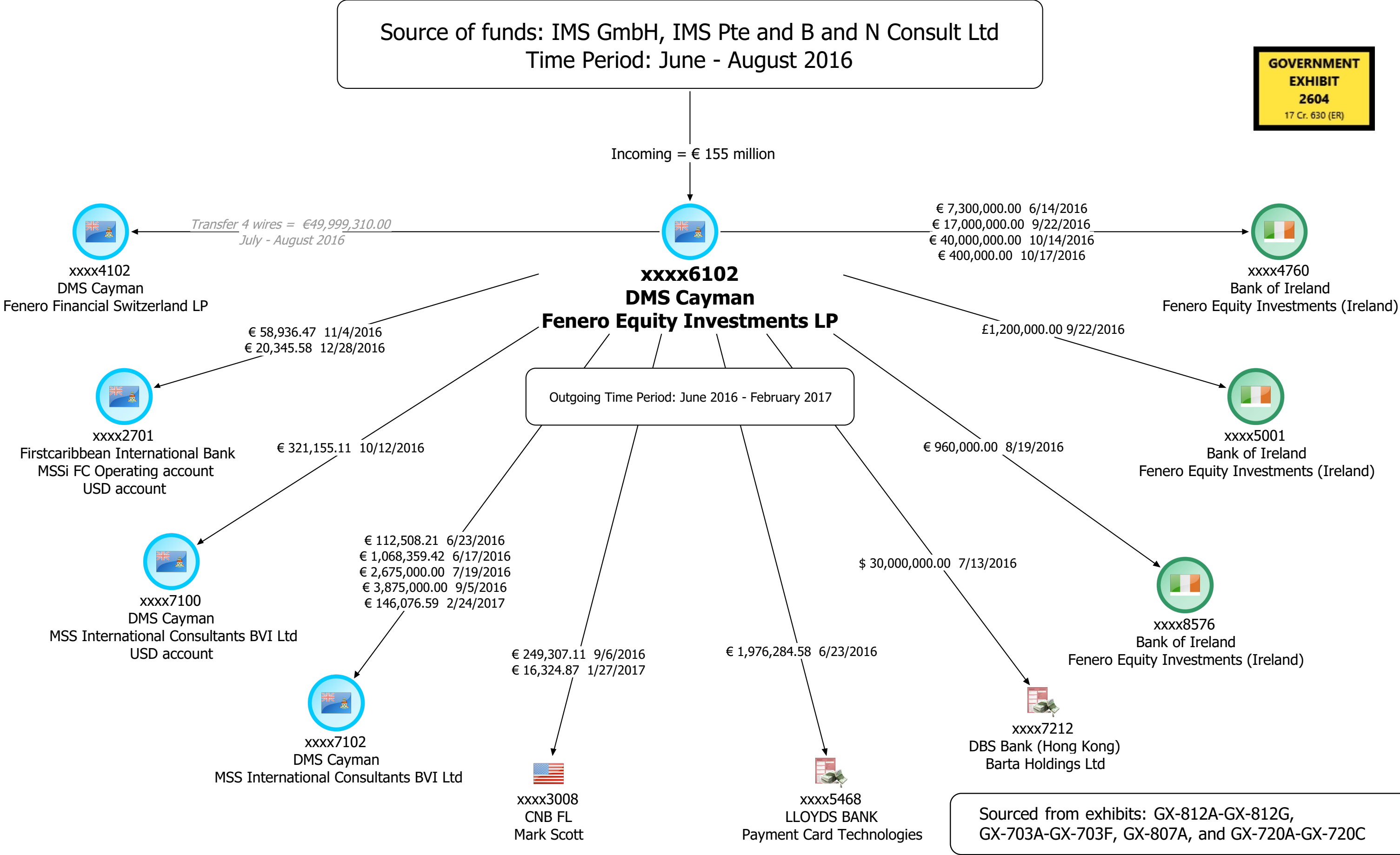
 xxxx3008 CNB FL Mark Scott (12 wires = \$8,146,059.68)	 xxxx3414 CNB FL MSS International Consultants, LLC (1 wire = \$500,000)	 xxxx3236 CNB FL MSS International Consultants, LLC (18 wires = \$6,974,655.08)	 xxxx3210 CNB FL Mark S. Scott PL (4 wires = \$1,800,000)
 xxxx0295 CNB FL Mark Scott (1 wire = \$ 499,970)	 xxxx7951 CNB FL MSS International Consultants (2 wires = \$605,221.88)	 xxxx9463 Wells Fargo Mark Scott (4 wires = \$1,250,000)	 xxxx1812 Northern Trust MSSI Natural Ventures Group LLC (3 wires = \$1,422,610)
 xxxx2613 Northern Trust Mark S. Scott PL (6 wires = \$1,245,592.50)	 xxxx1863 Sabadell United Bank Mark Scott (1 wire = \$250,000) (2 wires = €1,146,576.86)	 xxxx9788 Sabadell United Bank Nicole J. Huesmann IOTA Trust Account (16 wires = \$13,910,000)	 xxxx6760 Citibank Williams Jet Tenders (1 wire = \$39,061)

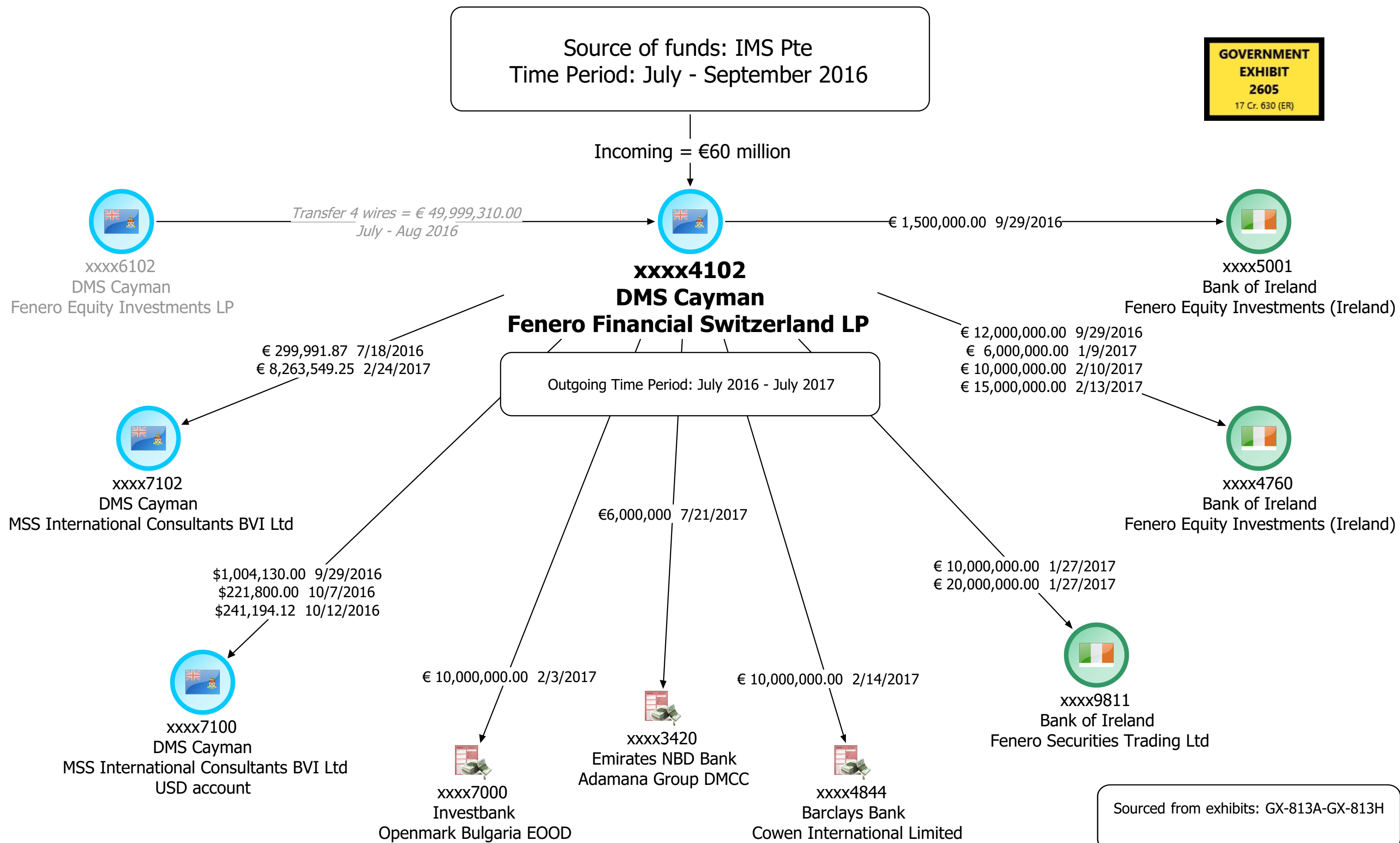
Foreign Accounts: Total Credits € 309,718,932.35 / \$47,884,515.34 / £10,775,145.88

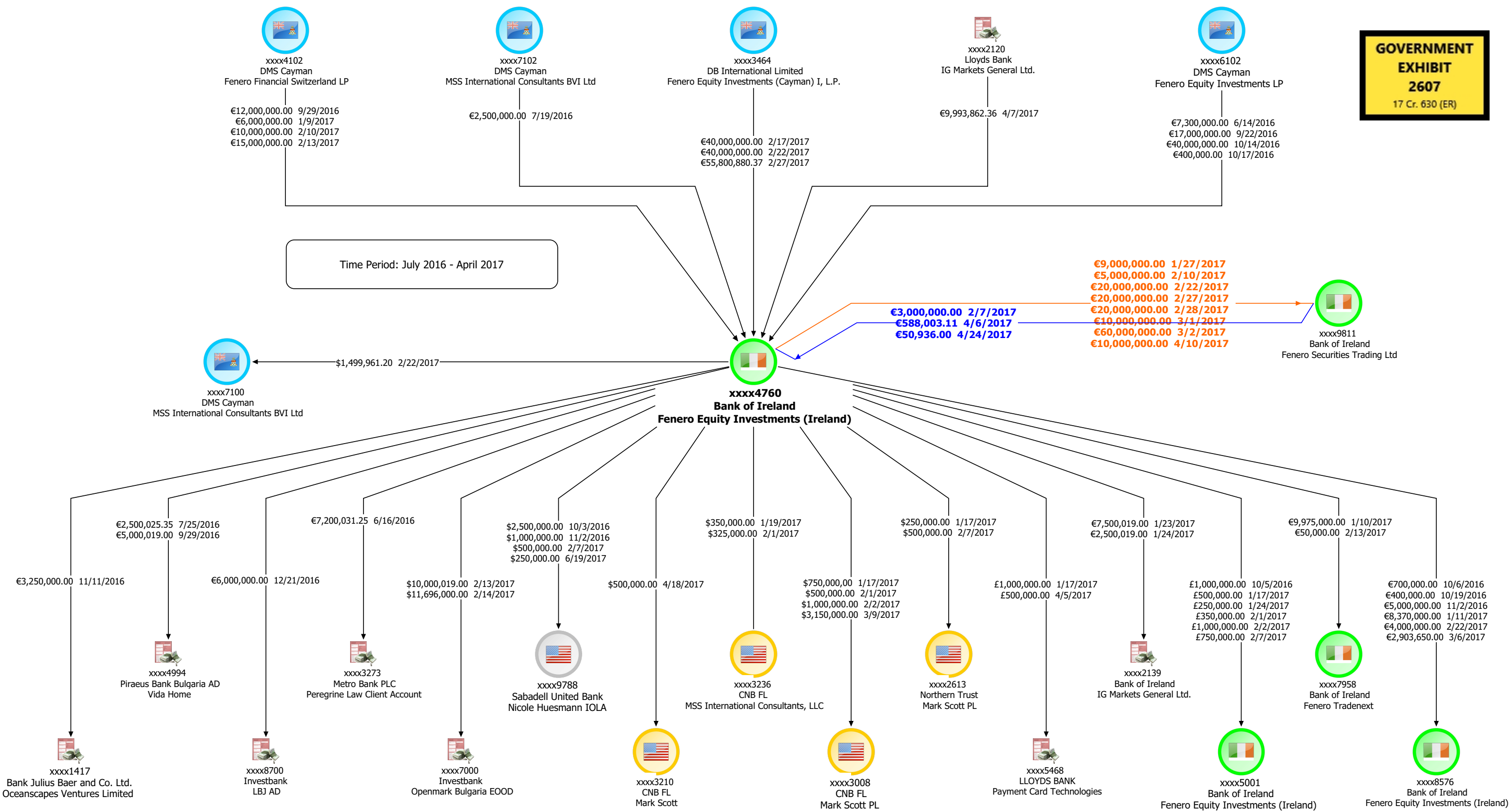
Accounts controlled by SCOTT xxxx3883 Firstcaribbean International Bank EDG Investment, LTD (1 wire = \$130,000) xxxx8611 RBC Dominion Securities Inc. HFT Holding Limited (4 wires = \$6,515,498.94) (4 wires = £5,775,072.93) xxxx6901 Dreyfus Söhne & Cie AG Mark Scott (2 wires = £2,500,036.67)	Other Cayman Islands accounts = \$748,831.40 xxxx5454 Firstcaribbean International Bank DRP Holdings, LTD (2 wires = \$390,630) xxxx5343 Firstcaribbean International Bank MSSI Marine Group, LTD (1 wire = \$250,000) xxxx1417 Bank Julius Baer and Co. Ltd. Oceanscapes Ventures Limited (1 wire = €3,250,000) xxxx4778 Firstcaribbean International Bank Ogier (1 wire = \$8,201.40) xxxx5346 Firstcaribbean International Bank Mumbelli Group Holding (Cayman), LTD (1 wire = \$100,000) xxxx1866 Global Bank of Commerce Fates Group LLC (1 wire = \$9,990,185)	 xxxx3404 NBD Bank PJSC Phoenix Fund Invest Llc (11 wires = €185,000,467.50) xxxx7212 DBS Bank - Hong Kong Barta Holdings (1 wire = \$30,000,000) xxxx3420 Emirates Islamic Bank Adamana Group DMCC (1 wire = €6,000,000) xxxx0162 RBC DMDJ Holdings LTD (2 wires = \$500,000)	United Kingdom = € 39,826,782.28 / £2,500,036.28 xxxx3273 Metro Bank PLC Peregrine Law Client Account (1 wire = €7,200,031.25) xxxx5468 LLOYDS BANK Payment Card Technologies (2 wires = € 2,945,579.50) (3 wires = £2,500,036.28) xxxx4844 Barclays Bank Cowen International Limited (3 wires = €30,000,038) xxxx2139 Bank of Ireland IG Markets General Ltd. (2 wires = €10,000,038)	Bulgaria = € 65,196,101.35 xxxx4994 Piraeus Bank Bulgaria AD Vida Home (2 wires = €7,500,044.35) xxxx8700 Investbank LBJ AD (1 wire = €6,000,000) xxxx7000 Investbank Openmark Bulgaria EOOD (5 wires = € 51,696,057)
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3 wires = \$950,000

3 wires = € 40,020,286.36

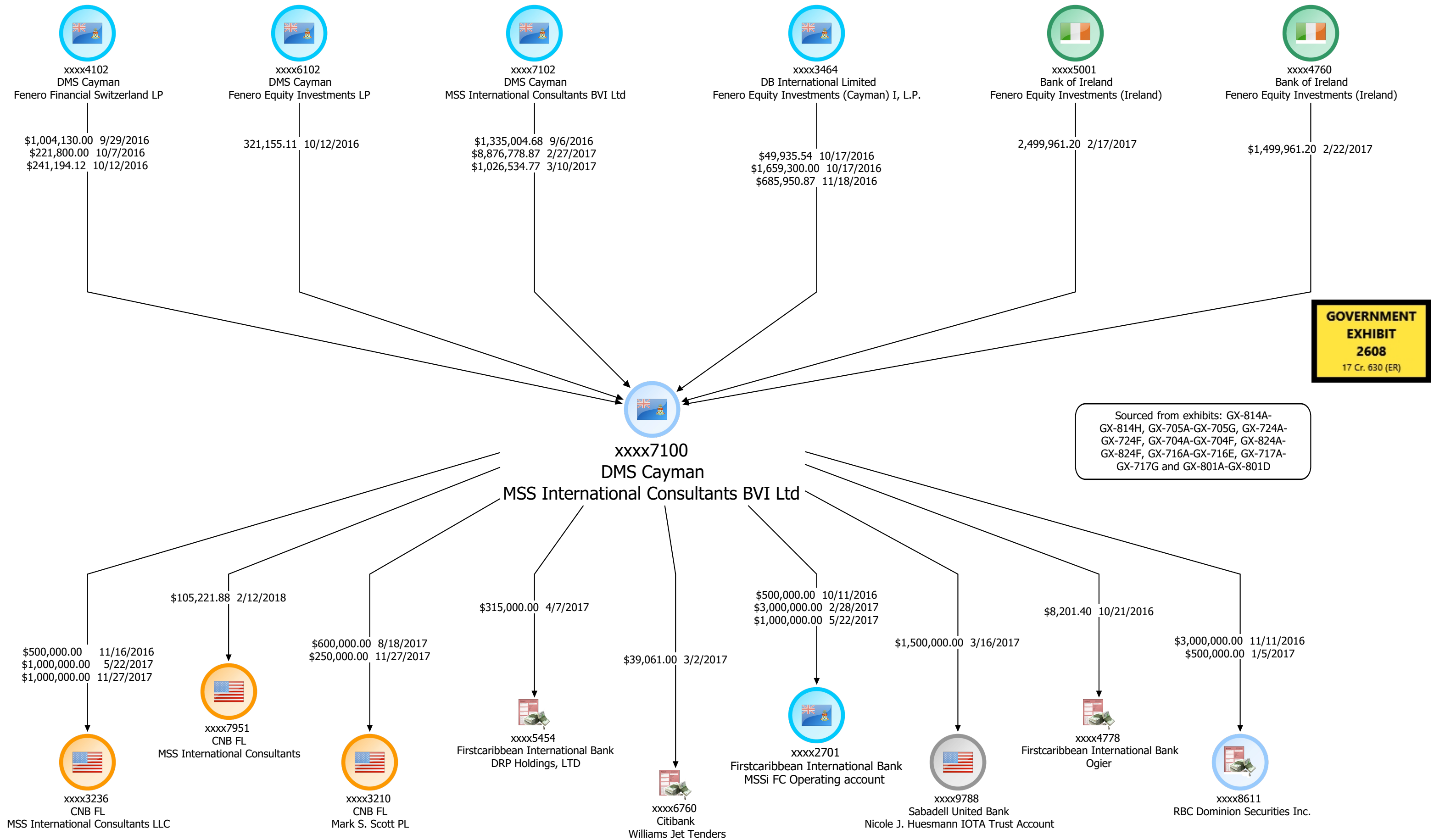


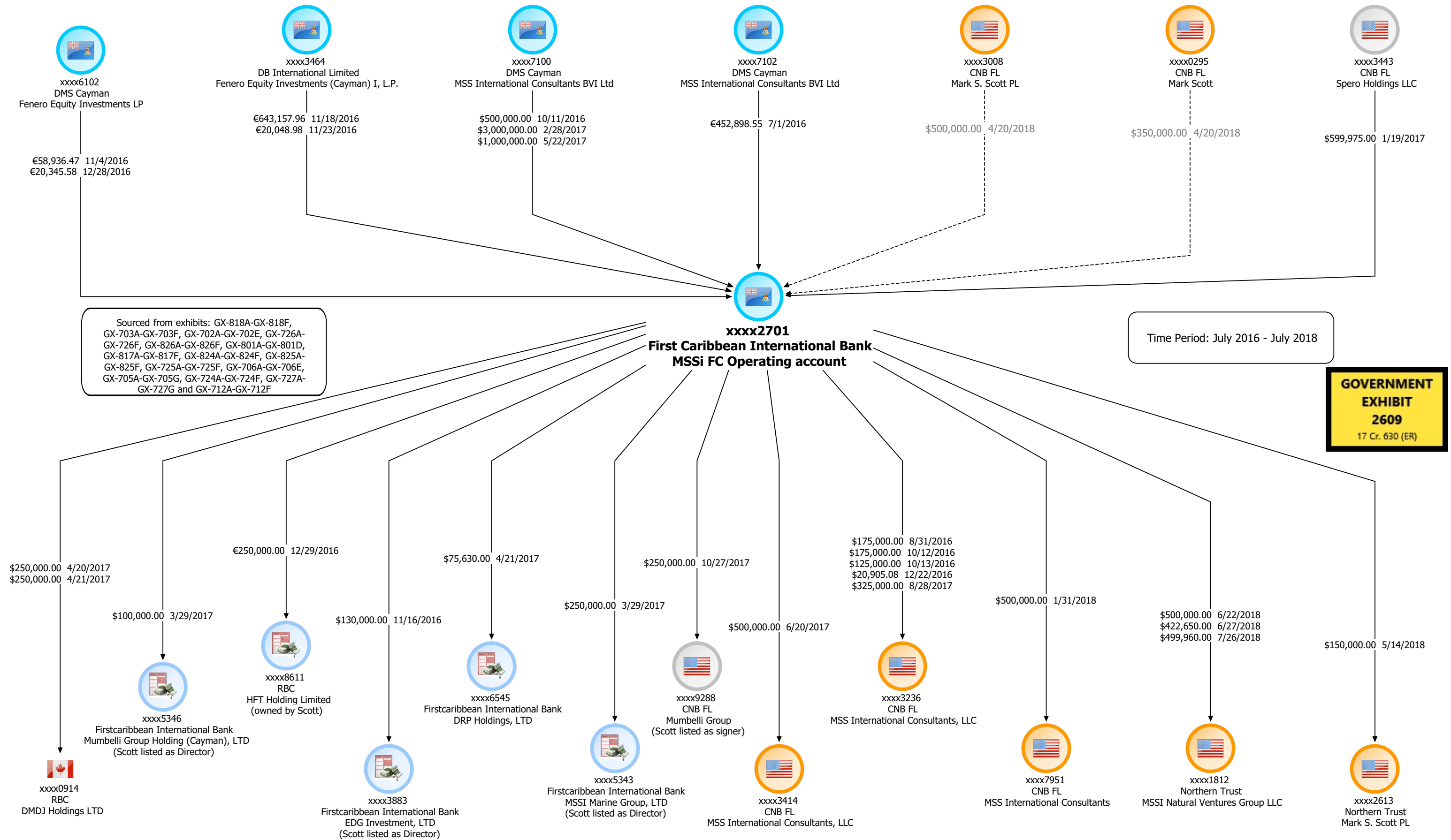


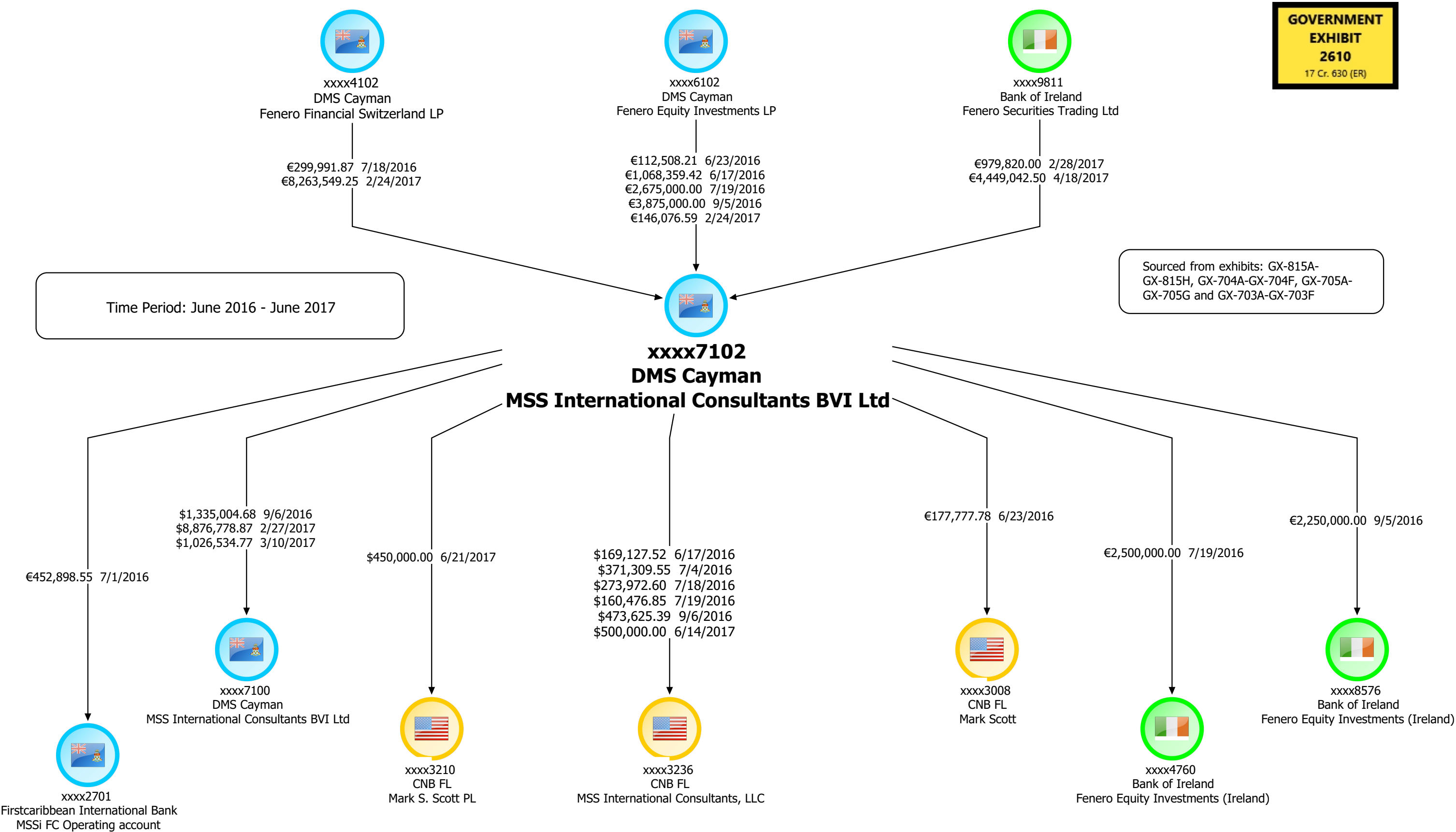


**GOVERNMENT
EXHIBIT
2607
17 Cr. 630 (ER)**

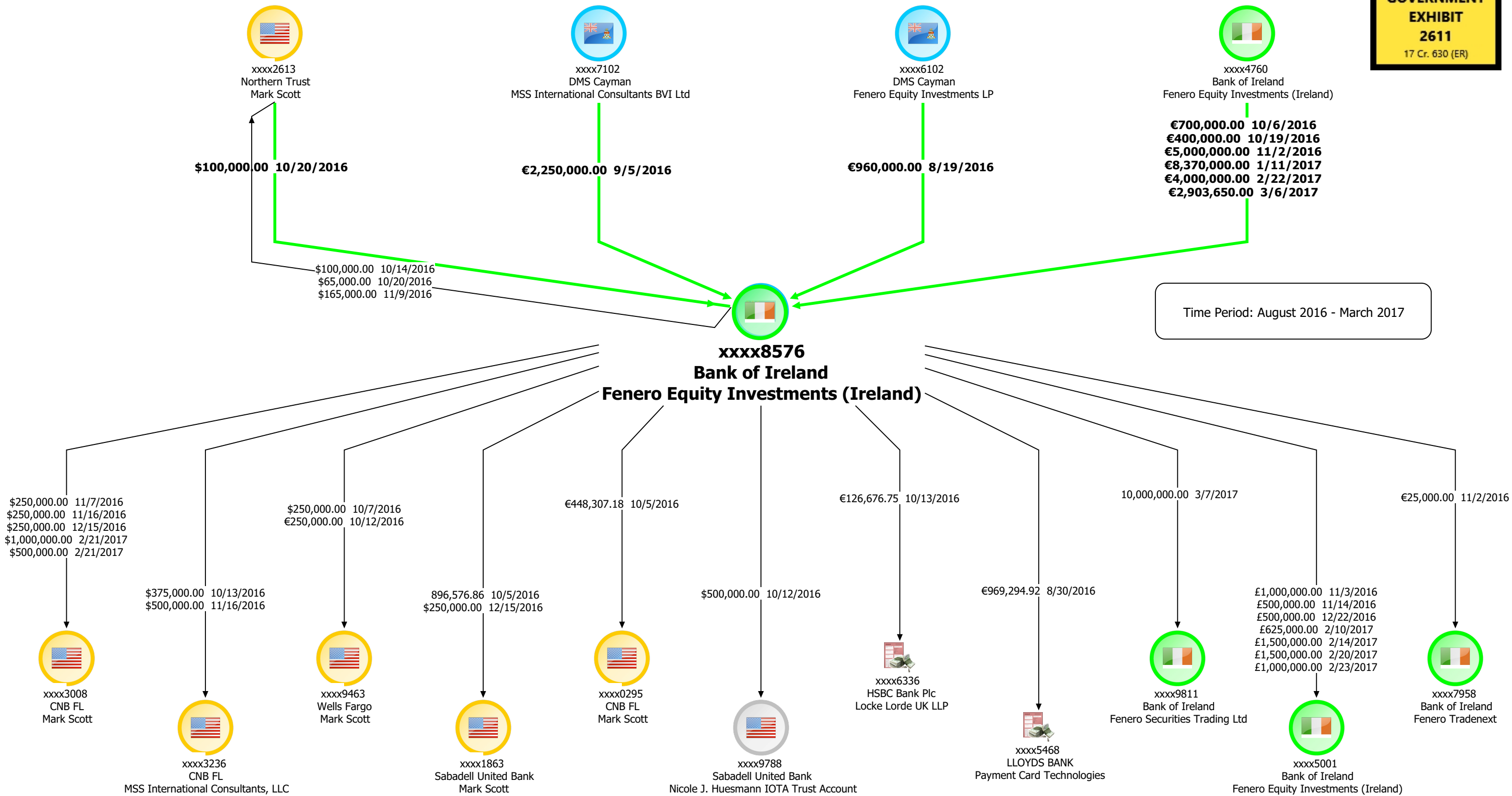
Sourced from GX-1705A-GX-1705C, GX-716A-GX-716E, GX-717A-GX-717G, GX-704A-GX-704F, GX-705A-GX-705G, GX-703A-GX-703F and GX-712A-GX-712F



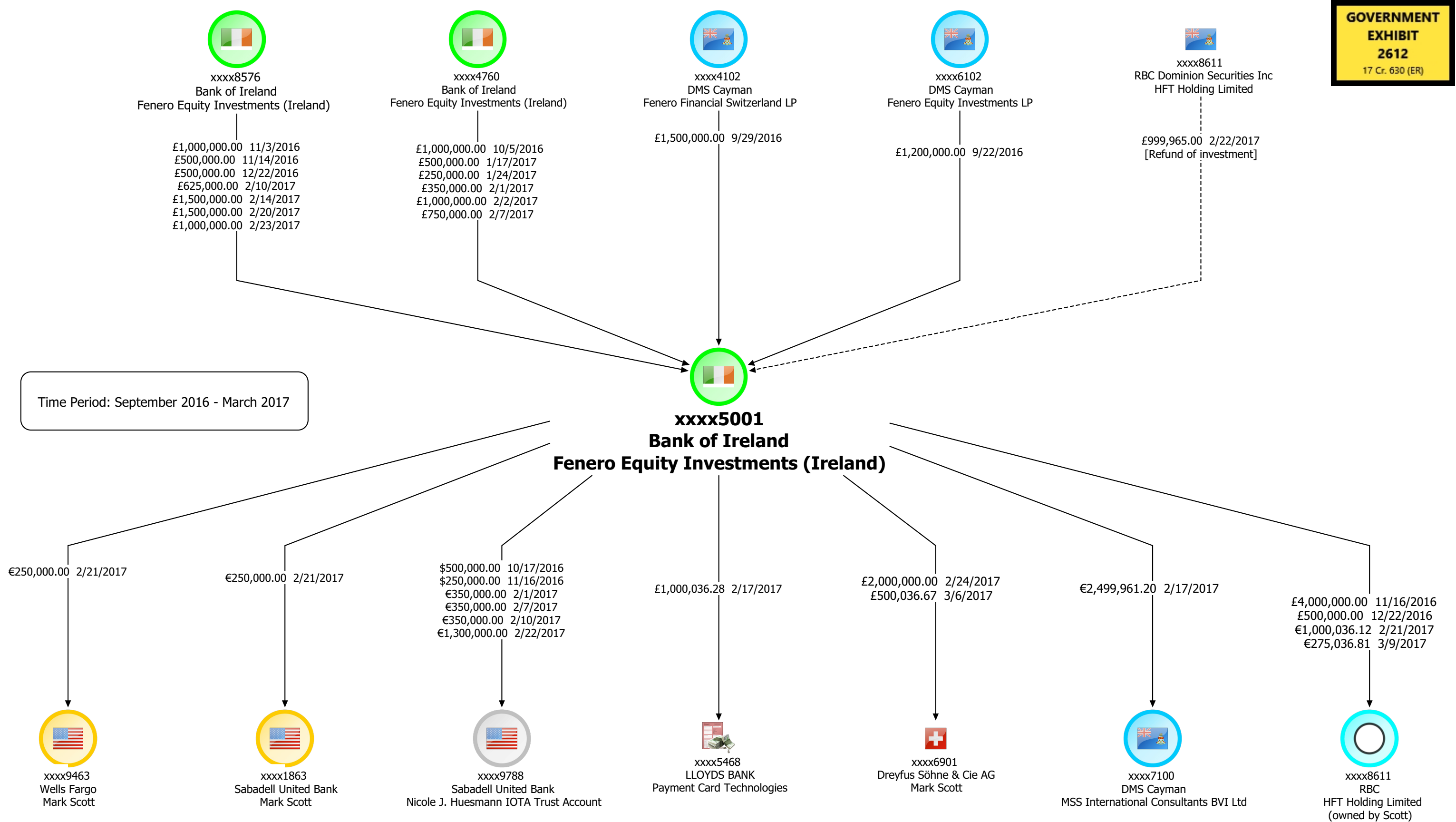




**GOVERNMENT
EXHIBIT
2611**
17 Cr. 630 (ER)



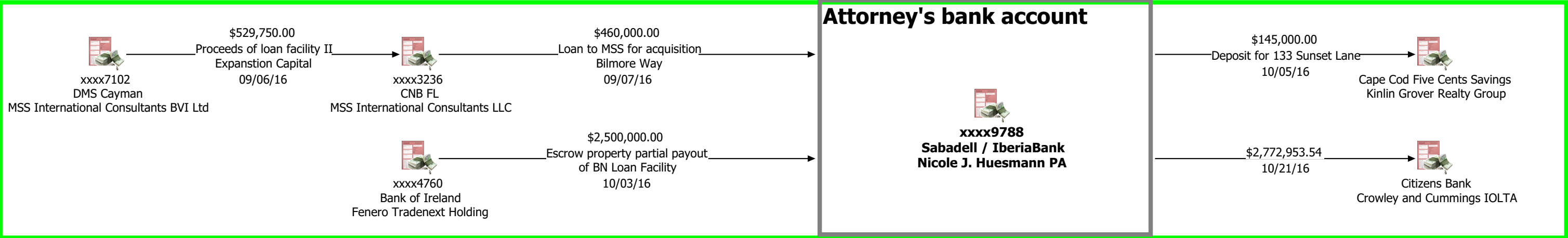
Sourced from exhibits: GX-1703A - GX-1703C, GX-712A-GX-712F, GX-703A-GX-703F, GX-705A-GX-705G, GX-728A-GX-728E, GX-729A-GX-729B, GX-702A-GX-702E, GX-716A-GX-716E and GX-717A-GX-717G



Sourced from exhibits: GX-1701A - GX-1701B, GX-801A-GX-801D, GX-728A-GX-728E, GX-729A-GX-729B, GX-716A-GX-716E and GX-717A-GX-717G

**GOVERNMENT
EXHIBIT
2617-A**
17 Cr. 630 (ER)

Purchase of 133 Sunset Lane, Barnstable, MA
Date: October 24, 2016
Price: \$2,850,000.00




Sourced from exhibits: GX-815A-GX-815H,
GX-705A-GX-705G, GX-1705A - GX-1705C,
GX-716A-GX-716E, GX-717A-GX-717G, GX-3103,
GX-3119, GX-3120, GX-3121, GX-3111, GX-3112,
and GX-105


Mark Scott pay off mortgage for 600 Coral Way, Unit 12, Florida
Original purchase price: \$1,580,000.00 on January 14, 2015
Payoff amount: \$1,000,794.66 on October 16, 2016

Sourced from exhibits: GX-1703A - GX-1703C, GX-1701A -
GX-1701B, GX-716A-GX-716E, GX-3105, GX-3106, GX-3107,
GX-3117, GX-717A-GX-717G, GX-3104




xxxx8576
Bank of Ireland
Fenero Tradenext Holding

\$500,000.00
Escrow 133SL Additional
retainer
10/12/16



xxxx5001
Bank of Ireland
Fenero Tradenext Holding

\$500,000.00
10/17/16

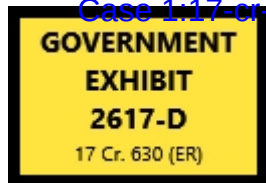
**Attorney's bank
account**


xxxx9788
Sabadell / IberiaBank
Nicole J. Huesmann PA

\$1,000,794.66
10/19/16

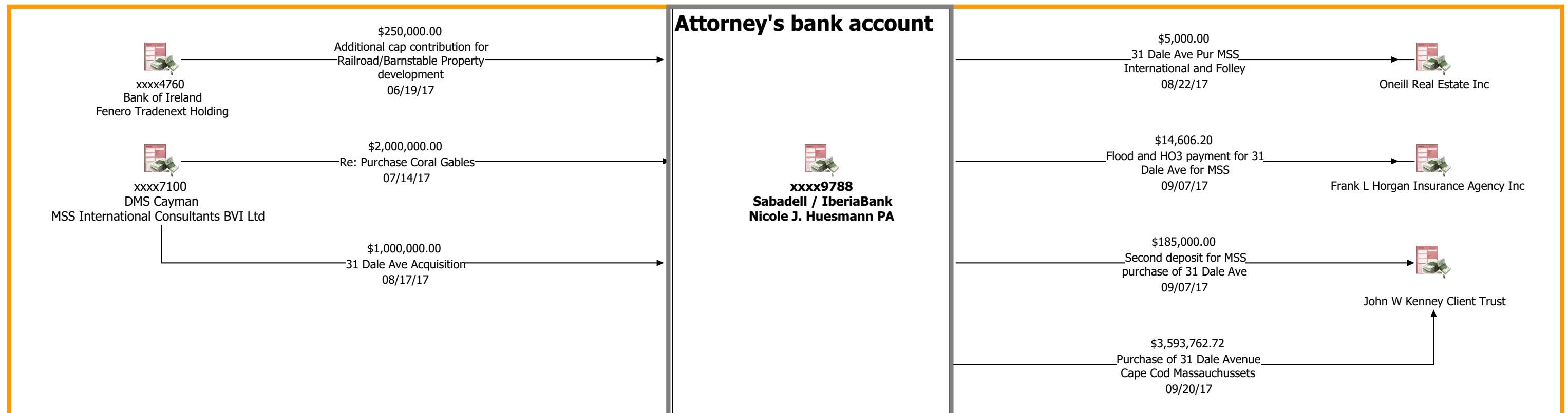

xxxx2190
Cenlarfsprincetrn

Funds used to pay
off mortgage

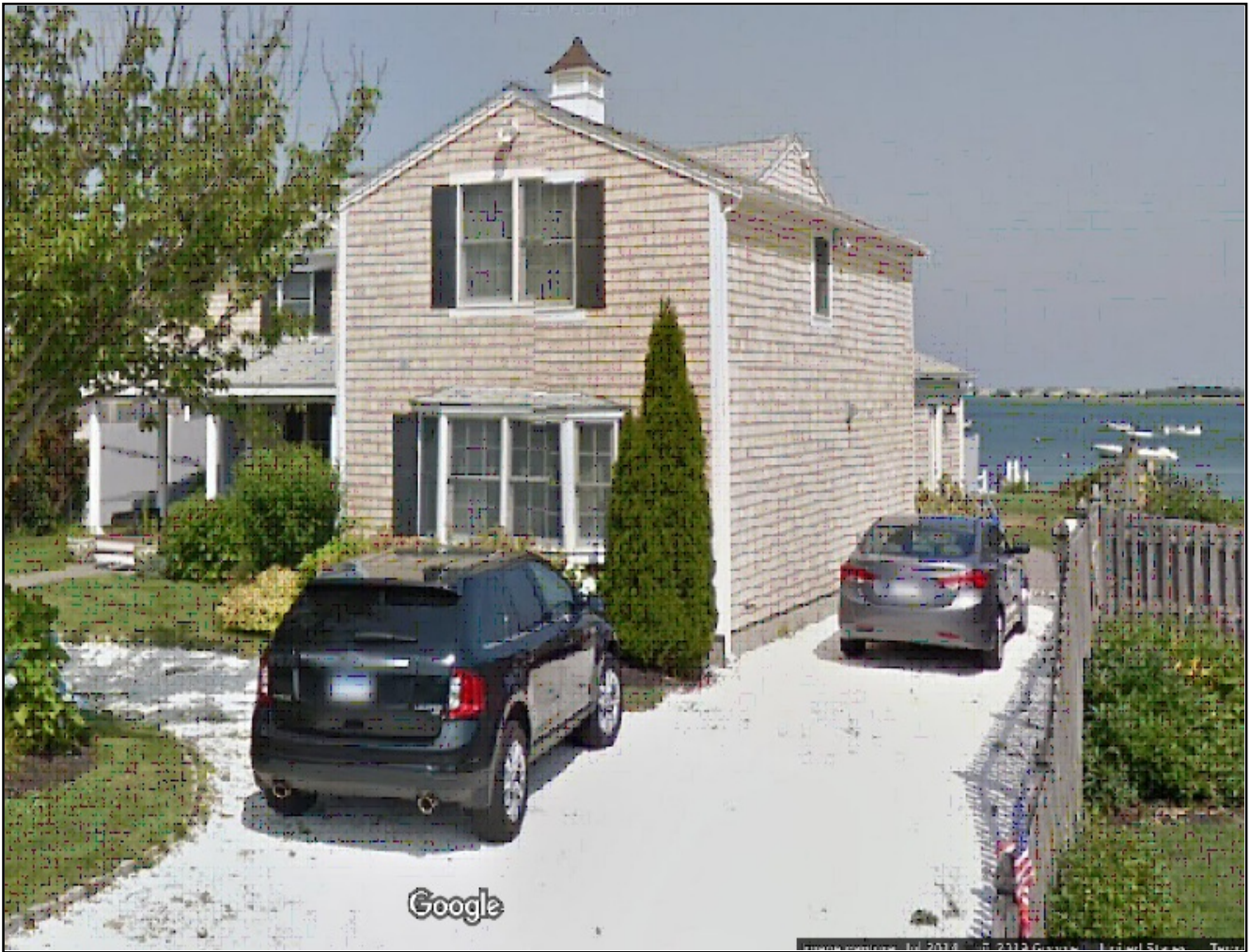


Purchase of 31 Dale Avenue, Hyannis Port, MA
Date: September 20, 2017
Price: \$3,765,000.00

Sourced from exhibits: GX-1705A-GX-1705C,
GX-814, GX-716A-GX-716E, GX-717A-GX-717G
GX-717, GX-3113, GX-3114, GX-3115, GX-3116 and
GX-1356, GX-3101



Purchase of 105 Sunset Lane, Barnstable, MA
Date: November 13, 2017
Price: \$2,310,000.00 / Scott contributed \$1,310,000.00

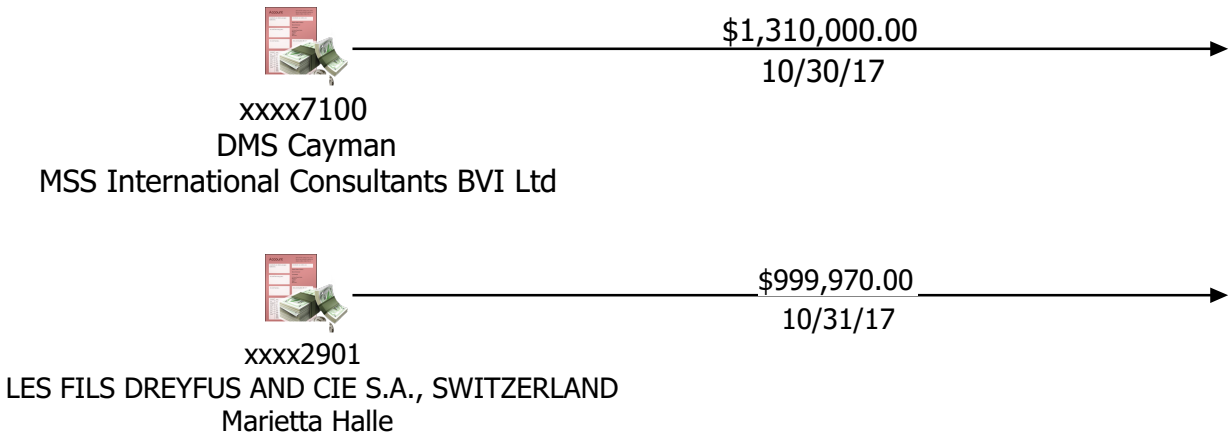


**GOVERNMENT
EXHIBIT
2619-E**
17 Cr. 630 (ER)

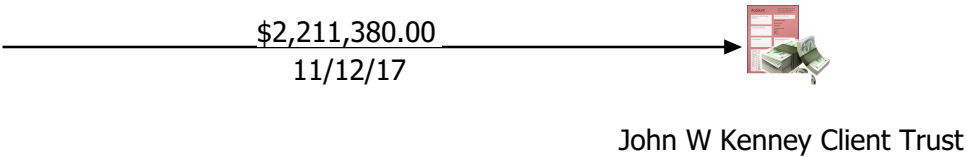
Sourced from exhibits:

GX-814A-GX-814H, GX-716A-
GX-716E, GX-717A-GX-717G,
GX-3102, GX-3108, GX-3109,
GX-3110

Attorney's bank account



xxxx9788
Sabadell / IberiaBank
Nicole J. Huesmann PA



Mark Scott purchase of Porsche, 911 Turbo 2017
Date: 2/10/2017
Price: \$119,529.50

GOVERNMENT
EXHIBIT
2619-B
17 Cr. 630 (ER)



Porsche, 911 Turbo S VIN #WP0CD2A95HS178187



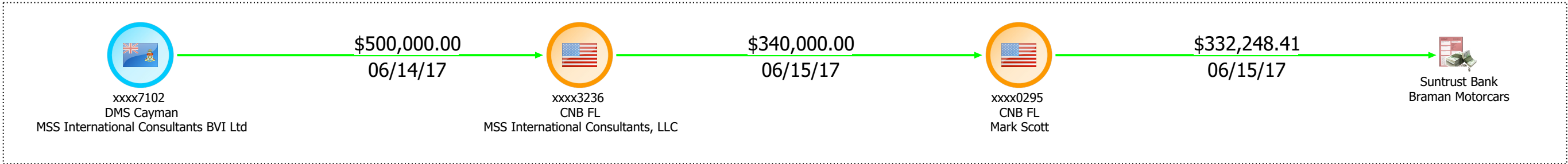
Sourced from exhibits: GX-1705A - GX-1705C, GX-106 and GX-705A-GX-705G

Mark Scott purchase of Porsche, 911R 2016
Date: June 15, 2017
Price: \$332,248.41

GOVERNMENT
EXHIBIT
2619-C
17 Cr. 630 (ER)



Porsche, 911R 2016, VIN #WP0AF2A92GS195089



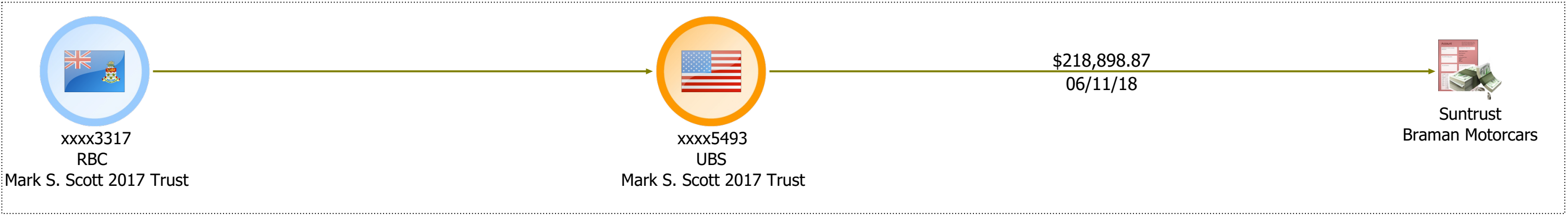
Sourced from exhibits: GX-815A-GX-815H, GX-705A-GX-705G, and GX-702A-GX-702E

Mark Scott purchase of Porsche, 911 GTRS 2018
Date: June 11, 2018
Price: \$218,898.87

GOVERNMENT
EXHIBIT
2619-D
17 Cr. 630 (ER)



Porsche, 911 GTRS, VIN #WP0AC2A90JS175665



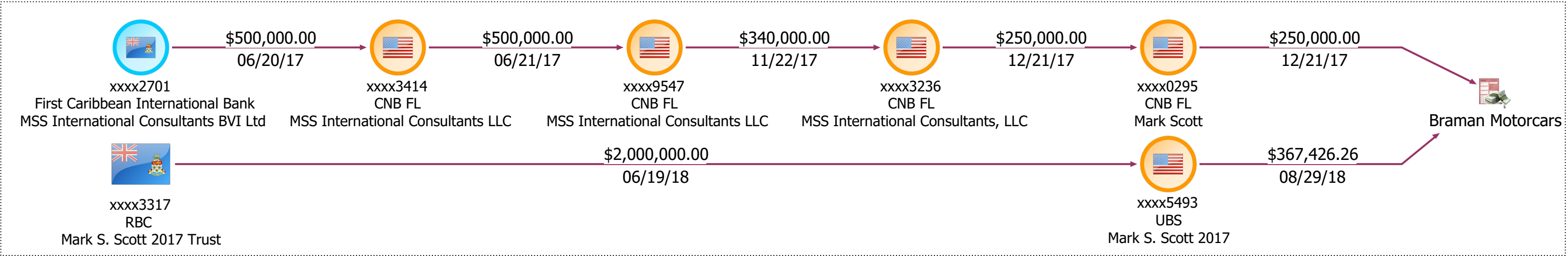
Sourced from exhibits: GX-804A-GX-804D and GX-718A-GX-718F

Mark Scott purchase of Porshe, 911 GT2 RS 2018
Date: August 29, 2018
Price: \$617,426.46



GOVERNMENT
EXHIBIT
2619-E
17 Cr. 630 (ER)

Porsche 911 GT2 RS 2018 VIN #WP0AE2A91JS185471



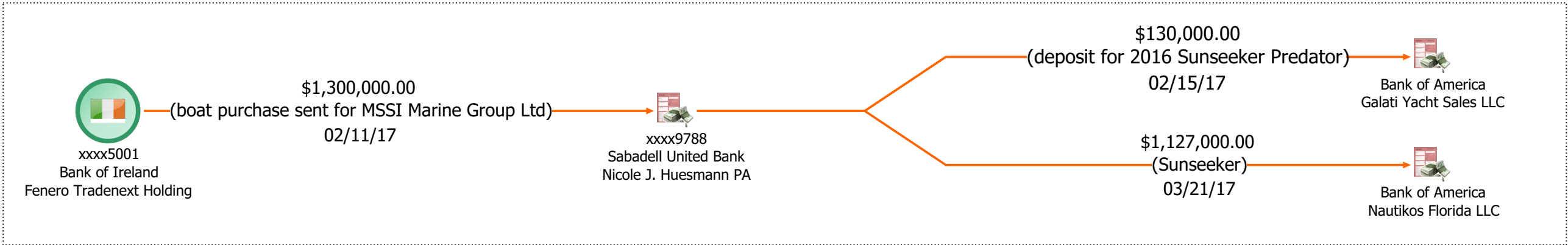
Sourced from exhibits: GX-818A-GX-818F, GX-706A-GX-706E, GX-707A-GX-707B, GX-705A-GX-705G, GX-702A-GX-702E, GX-718A-GX-718F, GX-804A-GX-804D, and GX-115

Mark Scott purchase of Sunseeker Predator boat
Date: March 21, 2017
Price: \$1,310,000.00

**GOVERNMENT
EXHIBIT
2619-F**
17 Cr. 630 (ER)

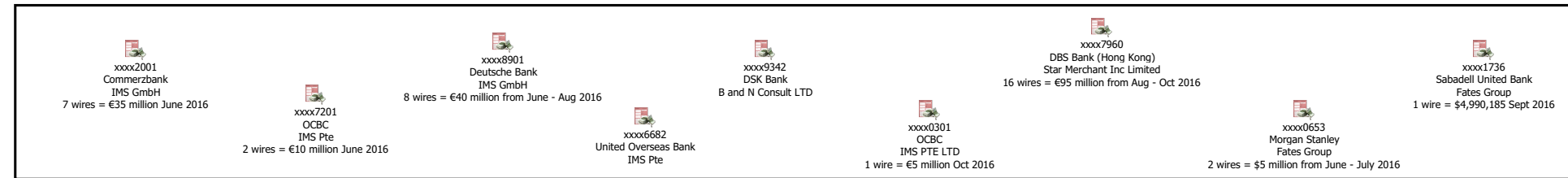


Sunseeker Predator

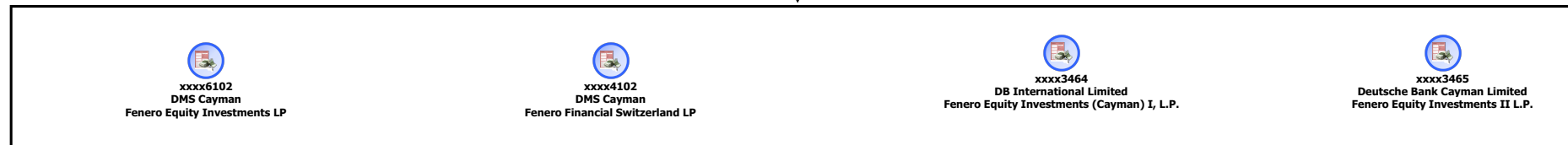


Sourced from exhibits: GX-1703A - GX-1703C, GX-1440, GX-716A-GX-716E, GX-717A-GX-717G and GX-107

Fenero MSSSI Foreign and Domestic Transfers
Time Period: May 2016 - July 2018

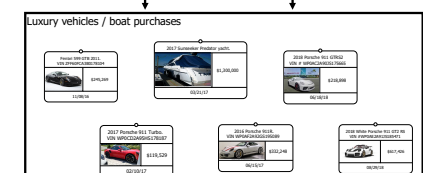
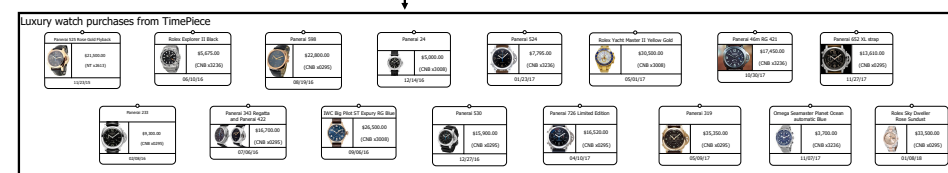
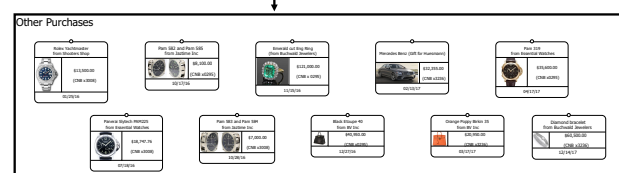
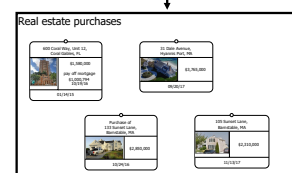
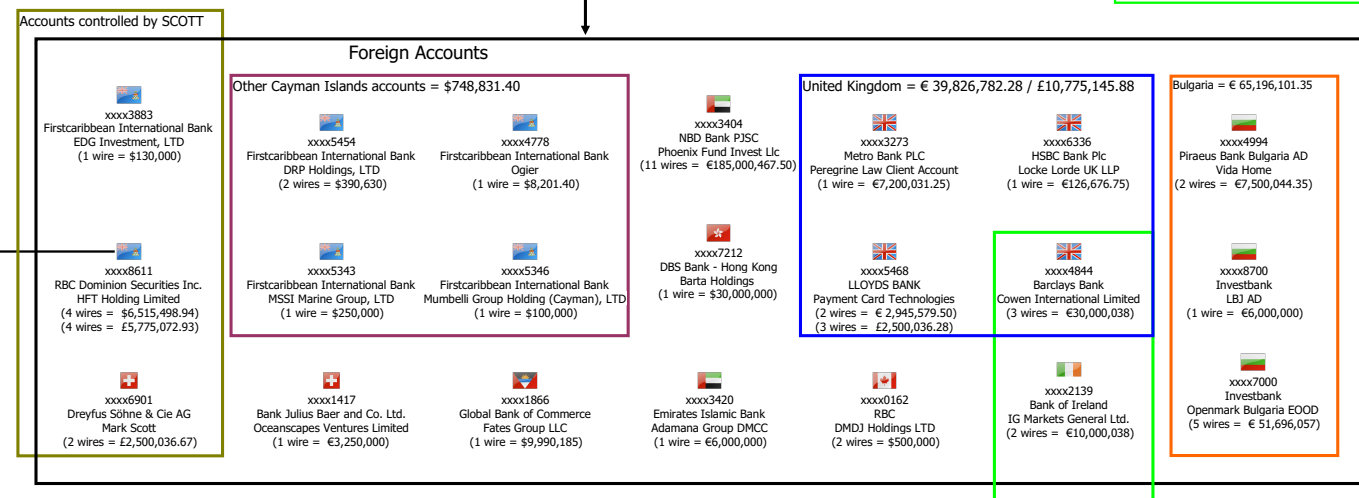
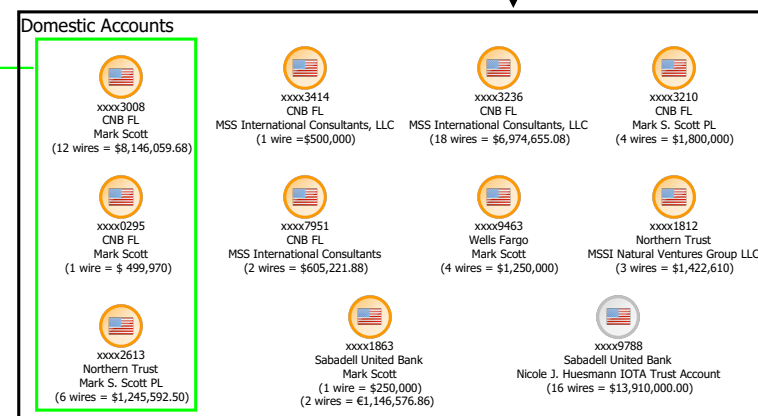
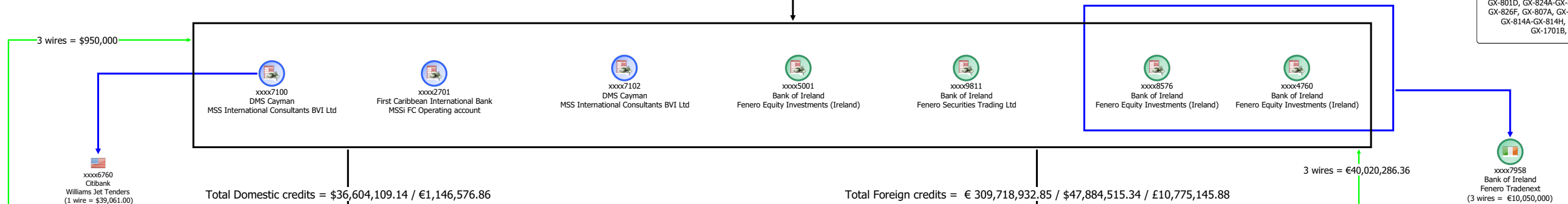


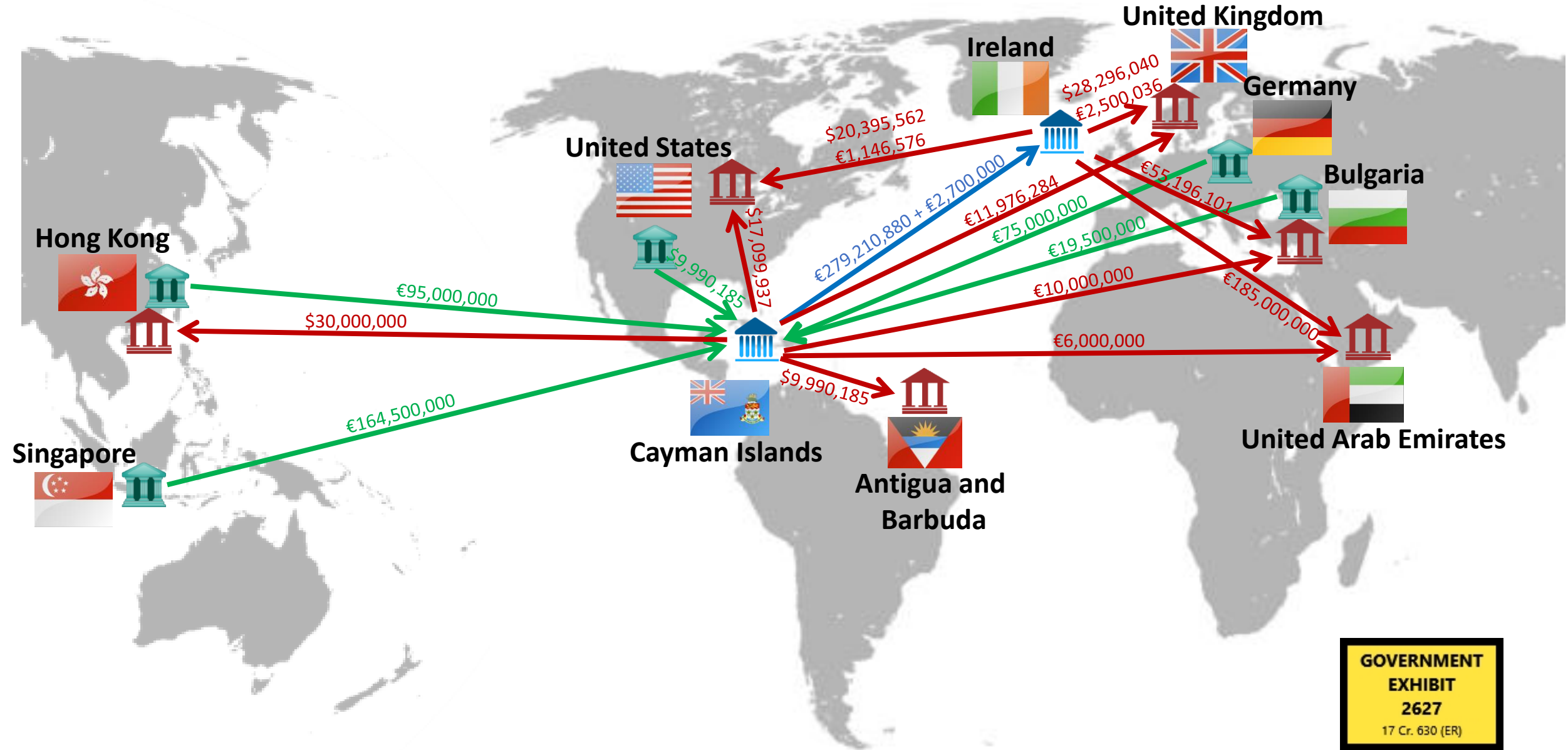
Total credits: € 354,000,000 and \$9,990,185



**GOVERNMENT
EXHIBIT
2620**
17 Cr. 630 (ER)

Sourced from exhibits: GX-812A-GX-812G, GX-813A-GX-813H, GX-805A, GX-810A, GX-706A-GX-706E, GX-703A-GX-703F, GX-709A-GX-705G, GX-704A-GX-704F, GX-702A-GX-702E, GX-724A-GX-724F, GX-712A-GX-712F, GX-727A-GX-727G, GX-728A-GX-728E, GX-729A-GX-729B, GX-716A-GX-716E, GX-717A-GX-717G, GX-817A-GX-817F, GX-801A-GX-801D, GX-824A, GX-824F, GX-825A, GX-825F, GX-826A-GX-826F, GX-807A, GX-720A-GX-720C, GX-818A-GX-818F, GX-814A-GX-814H, GX-815A-GX-815H, GX-1701A-GX-1701B, GX-1702A-GX-1702C





Fenero MSSI Transfers to Scott Accounts
Time Period: May 2016 - July 2018



FUNDING ACCOUNTS

Credits: €354,000,000 and \$9,990,185

FENERO CAYMAN ACCOUNTS



INTERMEDIARY ACCOUNTS (CAYMAN AND BANK OF IRELAND)




Scott Accounts Total Credits: \$29,339,608.08 / €1,146,576.86 / £8,275,109.60



xxxx3008
CNB FL
Mark Scott
(12 wires = \$8,146,059.68)



xxxx3414
CNB FL
MSS International Consultants, LLC
(1 wire = \$500,000)


xxxx3236
CNB FL
MSS International Consultants, LLC
(18 wires = \$6,974,655.08)


xxxx3210
CNB FL
Mark S. Scott PL
(4 wires = \$1,800,000)


xxxx1863
Sabadell United Bank
Mark Scott
(1 wire = \$250,000)
(2 wires = €1,146,576.86)


xxxx6901
Dreyfus Söhne & Cie AG
Mark Scott
(2 wires = £2,500,036.67)



xxxx3883
Firstcaribbean International Bank
EDG Investment, LTD
(1 wire = \$130,000)



xxxx0295
CNB FL
Mark Scott
(1 wire = \$ 499,970)


xxxx7951
CNB FL
MSS International Consultants
(2 wires = \$605,221.88)



xxxx9463
Wells Fargo
Mark Scott
(4 wires = \$1,250,000)



xxxx1812
Northern Trust
MSSI Natural Ventures Group LLC
(3 wires = \$1,422,610)


xxxx2613
Northern Trust
Mark S. Scott PL
(6 wires = \$1,245,592.50)



xxxx8611
RBC Dominion Securities Inc.
HFT Holding Limited
(4 wires = \$6,515,498.94)
(4 wires = £5,775,072.93)


**Other credits for
Scott's benefit: \$13,949,061**


xxxx9788
Sabadell United Bank
Nicole J. Huesmann IOTA Trust Account
(16 wires = \$13,910,000)


xxxx6760
Citibank
Williams Jet Tenders
(1 wire = \$39,061)
[TAIMA Tender on behalf of MSSi Marine Group]
































**Scott and Pike
account credits: \$350,000**


xxxx5343
Firstcaribbean International Bank
MSSI Marine Group, LTD
(1 wire = \$250,000)





































xxxx5346
Firstcaribbean International Bank
Mumbelli Group Holding (Cayman), LTD
(1 wire = \$100,000)

Date	Event Type	Description	GX
9/30/2015	✉	Armenta E-Mail introducing Scott to Ruja	1004
10/4/2015	✉	Scott meeting invitation re: Ignatova TC "to discuss money transfer/laundry issues"	1006
12/9/2015	✉	Scott E-Mail to Armenta, re: streamlining communication and next step[s]	1012
1/29/2016	✉	Scott E-Mail to Armenta, subject: Can we connect on Ruja please? Would like to start. Thanks.	1022
1/31/2016	✉	Ruja-Scott et al. E-Mails, re: payment of \$425,000 to Scott and next steps	1025 1032 4089
2/1/2016	🏦	Scott receives \$425,000 wire at City National Bank from International Marketing Strategies (IMS)	1026 703-B 703-D
2/2016	📄	MSS International Consultants (BVI), Ltd incorporated in British Virgin Islands Fenero Equity Investments, Ltd name reserved with BVI Financial Services Commission Application for bank account submitted to FCIB	1044 1045 1046-T 1050 1047 1052 2202
2/9/2016 - 2/14/2016	✈	Scott travels to London and meeting scheduled with Ruja in London at Four Seasons Hotel	62 1033 1034 1036 2501
2/11/2016	✉	Scott E-Mail to Denitza Godeva, subject Re: AW: Phones	1035
2/16/2016	✉	Scott E-Mail to Denitza Godeva, subject re: passp copy	1037
2/18/2016	✉	Scott E-Mail to Ruja, subject: "wheels are in motion on structure..."	1038
2/19/2016	✉	Ruja E-Mail to Scott: "If I want to keep abt 50 m eur on your accts. How much will you charge me?"	1040
2/19/2016	✉	Scott E-Mail to Ruja: "I am setting up your transfers as investments into registered investments funds offshore"	1041
02/19/2016 - 02/28/2016	✉	Scott-Ruja E-Mails	1042 1043-T 1046-T 1047
2/24/2016	✉	Scott E-Mail to Appleby, attaching FirstCaribbean International Bank Questionnaire	1048
3/1/2016	📄	Fenero Equity Investments L.P. formed in British Virgin Islands	1382
3/2/2016	✉	Scott E-Mails Ruja: "Gilbert asked me about your new structure."	1055
3/2/2016 - 3/3/2016	✈	Scott travels to British Virgin Islands	62 2501
3/2/2016	✉	Scott E-Mails Ruja: "Your company and banking structure is nearly finished."	1056-T
03/04/2016 - 03/07/2016	✉	Ruja, Scott, Courtneidge E-Mails: "I have some cash with me. Abt 220k GBP. Can you store it for me in London?"	2004
3/6/2016	✉	Scott E-Mail to Scott, attaching FeneroMissStatement.docx	1411
3/10/2016	✉	Irina Dilkinska-Scott E-Mails	1060 1061
3/10/2016	🏦	Scott receives \$149,980 at City National Bank Florida (██████████3008) from International Marketing Services account at United Overseas Bank in Singapore	703-B 703-D
3/13/2016	✉	Scott E-Mails Bank of Ireland with Fenero documents, including Company Questionnaire	1062
3/30/2016	✉	Ruja E-Mails Scott, among other things, "As I indicated Mark we sent about 33 m euro yesterday to the uk account"	2006
4/2016	📄	Fenero Equity Investments (Ireland), Limited, Fenero Tradenext Holding Limited, Fenero Equity Acquisition I Limited incorporated in Ireland; Fenero Equity Investments (Cayman) I, L.P. and MSS International Consultants (BVI), Ltd. are registered in Cayman Islands; Application submitted to Deutsche Bank Cayman Islands for Fenero Equity Investments LP	1077 1382 1424
4/6/2016	✉	E-Mails between Scott and Appleby	1119
4/8/2016	✉	Scott-Armenta E-Mails Armenta	1067
4/13/2016	✉	Ruja E-Mails Scott and Armenta subject: Next steps	1069
4/20/2016 - 4/21/2016	✈	Scott travels to Cayman Islands	62 2501
4/22/2016	✈	Scott travels to British Virgin Islands	62 2501
4/25/2016	✉	Pike E-Mail to DMS Bank, CC Scott	1072






























Timeline

4/26/2016		Dilkinska E-Mails Scott website: https://www.tyracpa.com/onecoin-is-a-scam/	4109
4/27/2016		Scott receives \$425,000 in his account at City National Bank Florid [REDACTED] 3008) from International Marketing Services account at Commerzbank in Germany	703-B 703-D
4/27/2016		David Pike E-Mails Deutsche Bank Application Forms	1077
5/2016		Fenero Equity Investments II, L.P. registered in British Virgin Islands, Fenero Financial Switzerland, L.P. formed in British Virgin Islands, Fenero Equity Acquisition 2 Limited incorporated in Ireland; Applications for bank account for Fenero Equity Investments LP submitted to DMS; Account opening documents submitted to Bank of Ireland for Fenero Equity Investments (Ireland), Limited, Fenero Tradenext Holding Limited; Application submitted to Deutsche Bank Cayman Islands for Fenero Equity Investments II LP	1382 1081 1419 1420 1421 2202 3201 3203
5/3/2016		Scott-Ruja Email subject "OneCoin change banks again, now using US-based bank?"	4099
5/4/2016 - 5/6/2016		Scott travels to Cayman Islands	62 2501
5/10/2016		Scott engages Apex Fund Services Ltd. of London as Fund Administrator of Fenero Equity Investments L.P.	2204
5/17/2016		Dilkinska E-Mails Scott documents related to INNOIN Ltd.	1088
5/21/2016		Pike E-Mails Scott subject: IMS and Innoin	1090
5/18/2016 - 5/20/2016		Scott travels to Cayman Islands	62 2501
5/22/2016		Scott-Dilkinska E-Mails re: Subscription Package for B&N Consult	1091
5/24/2016		Scott E-Mails Ruja re: Fenero Equity Investments L.P. - Wire Details	1093
5/24/2016 - 5/27/2016		E-Mails re: EUR 5M Transfer from IMS to Fenero Equity Investments	1094
5/27/2016		Scott-Maya Antonova E-Mail re: Fenero Equity Investments L.P. - Wire Details	4101
5/30/2016		Scott travels to London Meeting set with Scott, Ruja and Greenwood in London at Four Seasons Hotel in London	2017 2501
6/2016		Fenero Equity Acquisition 3 Limited incorporated in Ireland, Fenero Equity Acquisition 1 Limited changes names to Fenero PCT Holdings Limited; Fenero Fintech Europe L.P. registered in the British Virgin Islands; Fenero Tradenext Holding Limited and Fenero Equity Investments Ireland Limited bank accounts opened at Bank of Ireland Bank account application for Fenero Financial Switzerland, L.P. submitted to DMS	1382 1417 1418 1423 2200 3202 3204
6/2/2016		Fenero Equity Investments LP account [REDACTED] 6102 at DMS Bank in Cayman Islands receives first wire from International Marketing Services for €4,999,985	812-B 812-F
6/1/2016 - 6/13/2016		E-Mails re: PCT Agreement	1106
6/2/2016		Scott E-Mails Armenta re: Wire Details for Fenero Deutsche Bank account	1099
6/4/2016		Scott E-Mail to First Caribbean International Bank	1100
6/6/2016		Scott forwards Dilkinska E-Mail from Ricketts re: Fenero Equity Investments L.P. - Missing Data for Subscription IMS Singapore	1103
6/15/2016 - 7/9/2016		E-Mails re: Zimbabwe Bank	1129
6/19/2016 - 6/21/2016		Scott travels to Cayman Islands	62 2501
6/22/2016		Scott E-Mails Pike "Let's not e-mail this stuff....."	1110
6/23/2016		Fenero Equity Investments LP account [REDACTED] 6102 at DMS Bank in Cayman Islands sends €1,976,284.58 for capital contribution	812-B 812-F 812-G
6/29/2016 - 6/30/2016		\$2M and \$3M wires from Fates Group LLC Morgan Stanley account to Fenero Deutsche Bank account	810-A 711-C 1099
7/5/2016		Scott E-Mails with Ruja and Max von Amim	1118-T
7/6/2016		Scott E-Mails with Anatoly Gorlov	1120
7/7/2016 - 7/8/2016		Scott E-Mails with Ruja, Irina Dilkinska	1122 1123 1127
7/8/2016		Konstantin Ignatov E-Mail to Armenta	1126
7/8/2016 - 7/9/2016		E-Mails between Scott, Ruja, and Breidenbach	1128 1130-T 1131
7/11/2016		Armenta E-Mail to Maya Antonova re: "transfer of 5mio USD from Zala to Fenero"	1133

Timeline

7/13/2016		Ruja E-Mail to Scott and garmenta@zala-group.com subject Urgent: Meeting next week	1142
7/13/2016		Fenero Equity Investments LP account [REDACTED] 102 at DMS Bank in Cayman Islands sends \$30,000,000 to Barta Holdings Ltd account at DBS Bank in Hong Kong	812-B 812-G 62
7/20/2016 - 7/21/2016		Scott travels to Sofia, Bulgaria and meeting scheduled with Ruja and Armenta	1154 2501 2021 1157
7/25/2016		Fenero Equity Investments (Ireland) account [REDACTED] 4760 at Bank of Ireland sends €2,500,00 to Vida Home at Piraeus Bank in Bulgaria	1705-A 1705-B
7/27/2016		Irina Dilkinska E-Mail to Scott, subject Loan Facility for Property purchase in Bulgaria, attaching signature page of loan agreement	1383
6/27/2016 - 6/29/2016		Scott - Dilkinska et al. E-Mails	1163 1164 1165
8/2/2016		Scott-Stoyna-Dilkinska E-Mails re: Star Merchant	1178
8/3/2016 - 8/4/2016		Scott-Stoyna E-Mails re: changes to IMS wire authorization letters	1190
8/4/2016		Scott-Pike E-Mails re: letter of instruction attachments	1194
August 5-6, 2016		Scott-Ruja E-Mails re: "news on 30 m"	1203
8/8/2019		Dilkinska E-Mails Scott IMS-OneCoin Agreements stating 1% fee on incoming funds Scott modifies word document with IMS-OneCoin agreements to state 20% and 22% on incoming fees Scott E-mails modified version of IMS-OneCoin agreements to Apex	1207-T 1208 1209 1212
8/8/2016		Fenero Equity Investments (Cayman) I, L.P. account [REDACTED] 3464 at Deutsche Bank Cayman Islands receives first wire from Star Merchant Limited in Hong Kong for €8,000,000	809-A
8/9/2016		Pike-Scott E-Mails re: Prosperia	1213
8/10/2016		Scott sends letter terminating engagement to Paul Spendiff at Apex Fund Services (UK) Ltd	2288
8/11/2016		E-Mails re: Star Merchant	1219 1220
8/15/2016 - 8/18/2016		Scott travels to Cayman Islands	62 2501
8/17/2016		Scott-Dilkinska et al E-Mails subject Summary & next steps...	1228
8/19/2016		Scott-Ruja E-Mail re: Fenero Switzerland Wire Details	1229
8/25/2016		Between June 2 and August 25, Fenero Equity Investments LP account [REDACTED] 6102 at DMS Bank in Cayman Islands received €154,999,535 in wire transfers sourced from B and N Consult in Bulgaria and International Marketing Services in Singapore and Germany	812-B
9/2016		Fenero Securities Trading Limited registered in Ireland	1426
9/8/2016 - 9/13/2016		E-Mails re: Star Merchant nominee director	1239 1240
9/13/2016		Pike E-Mails Monthly Fenero Status Report	1244
9/13/2016		Scott-Ignatov Email re: upcoming trip to Sofia, Bulgaria	4015 4017
9/14/2016		Scott-Pike E-Mails re: incoming Start Merchant funds	1246
9/14/2016		Scott-Pike re: Dr. R and Innoin	1247 1392
9/14/2016 - 9/30/2016		Fenero Financial Switzerland LP account [REDACTED] 4102 at DMS Bank in Cayman Islands received €59,999,685 in wire transfers sourced from International Marketing Services in Singapore	813-B
9/16/2016		Scott travels to Sofia, Bulgaria and meeting scheduled with Ruja	62 1250 4028
9/19/2016		Scott-Pike-Dilkinska E-Mails re: B&N letter	1253
9/29/2016		Fenero Equity Investments (Ireland) account [REDACTED] 4760 at Bank of Ireland sends €5,000,019 to Vida Home at Piraeus Bank in Bulgaria	1705-B
10/6/2016		Scott forwards E-Mail to Pike	1256
10/9/2016 - 10/11/2016		Scott travels to Cayman Islands	62 2501
10/13/2016		Scott-Gary Gilford Email Chain	4102
10/20/2016		Scott-Dilkinska E-Mail re: Amended Loan	1388
10/25/2016		Scott-Ruja E-Mail	1389
10/26/2016 - 10/27/2016		Ruja introduces Scott and Karl Horsburgh by E-Mail	1267

Timeline

10/27/2016		Scott-Ruja E-Mails re: Karl	4103 4104
10/28/2016		Between August 8 and October 28, 2016, Fenero Equity Investments (Cayman) I, L.P. account ██████████ 3464 at Deutsche Bank in Cayman Islands receives €138,999,895 in wire transfers sourced from Star Merchant in Hong Kong, International Marketing Services in Singapore, and B and N Consult in Bulgaria	809-A
11/3/2016		Scott E-Mail Chain with Victor Rashev	1390
11/11/2016		Fenero Equity Investments (Ireland) account ██████████ 4760 at Bank of Ireland sends €3,250,000 to Oceanscape Ventures at Bank Julius Baer in Singapore	1705-A 1705-B
11/18/2016		Scott-Antonova E-Mails re: balances received transfers	1391
11/23/2016		Scott E-Mails re: Fenero loan agreement	1279
11/28/2016		Scott E-Mail to Ruja, subject Re: straighten up reporting	1399
11/30/2016		Scott E-Mail chain with Karl Horsburgh and Ignatova, subject Confidential Documents	1401
12/8/2016		Scott travels to London and meeting scheduled with Ruja	62 2501 1282
12/18/2016 - 12/21/2016		Scott E-Mail chain with Karl Horsburgh and Ignatova, subject Re: MSS International Consultants	1287 1434
12/21/2016		Fenero Equity Investments (Ireland) account ██████████ 4760 at Bank of Ireland sends €6 million to LBJ AD at Investbank in Bulgaria	1705-B
12/23/2016		E-Mail chain with Scott and Pike re: Trinity due diligence	1288
1/2017		Application materials submitted to DMS Bank Cayman Islands for Fenero Equity Investments (Cayman), I	1422 1429
1/12/2017		Scott meeting with Ruja in Sofia, Bulgaria	1293 4025
1/23/2017		Scott-Konstantin E-Mail re: Krypto cell	4059-4062
1/23/2017 - 1/24/2017		Fenero Equity Investments (Ireland) account ██████████ 4760 at Bank of Ireland sends €10 million to IG Markets	1705-B
2/3/2017 - 2/14/2017		Fenero Equity Investments (Ireland) account ██████████ 4760 at Bank of Ireland, Fenero Financial Switzerland LP account ██████████ 4102 at DMS Bank in Cayman Islands, and Fenero Securities Trading Limited account ██████████ 9811 at Bank of Ireland send €51,696,000 million to Openmark at Investbank in Bulgaria	1705-A 1705-B 1702-A 1702-B 813-B 813-G
2/23/2017		Scott-Ruja E-Mails re: Phoenix Fund Investment Agreement	1302 1303
2/24/2017		Fenero Securities Trading Limited account ██████████ 9811 at Bank of Ireland sends first €10 million to Phoenix Fund Invest at NBD Bank in Dubai	1702-B
3/1/2017 - 3/2/2017		Scott travels to Cayman Islands	62 2501
3/31/2017		Scott-Irina E-Mail chain	1312
4/1/2017 - 4/3/2017		Scott-Ruja and Scott-Dilkinska E-Mails	1316 1317 1318 1319
4/10/2017		Last transfer from Fenero Securities Trading Limited account ██████████ 9811 at Bank of Ireland to Phoenix Fund Invest at NBD Bank in Dubai, a total of sent €185 million sent across 11 separate wire transfers	1702-B
4/13/2017		Fenero Equity Investments II L.P. account ██████████ 3465 at Deutsche Bank Cayman Islands returns \$9,990,110 to Fates Group account at Global Bank of Commerce	810-A
4/13/2017		Last transaction occurs in account Fenero Equity Investments II L.P. account ██████████ 3465 at Deutsche Bank Cayman Islands, resulting in 0.00 balance (approximately 11 months after Scott applies to open account)	810-A
4/24/2017		Scott-Ruja E-Mail Attaching Letter to Armenta	1323
4/30/2017		Fenero Equity Investments (Ireland) account ██████████ 4760 at Bank of Ireland closed (approximately 12 months after account opened)	1705-A
6/21/2017		Fenero Securities Trading Limited account ██████████ 9811 at Bank of Ireland closed (approximately 6 months after account opened)	1825
7/14/2017		Fenero Equity Investments LP account ██████████ 5102 at DMS Bank in Cayman Islands closed (approximately 15 months after Scott applies to open account)	1416 812-C

Timeline






8/22/2017		Fenero Financial Switzerland LP account █████ 4102 at DMS Bank in Cayman Islands closed (approximately 14 months after Scott applies to open account)	813-C
10/2/2017		Mason Hayes Letter to Scott	1334
11/20/2017		Scott travels to Cayman Islands	62
4/2018		Ignatov-Maya Text Messages re: Phoenix Funds Ignatov-Dilkinska Text Messages re: Fenero	3001 3001-A 3001-B 3001-C 3002-S
6/2018		Scott-Dilkinska E-Mails Ignatov-Dilkinska Text Messages re: Fenero, Scott, Phoenix	1344 3003-S 3005-S
9/2018		Scott Arrested	60

EXHIBIT 7

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

-v.-

MARK S. SCOTT,

Defendant.

TO BE FILED UNDER SEAL

**POST-INDICTMENT
RESTRAINING ORDER**

S6 17 Cr. 630

Upon the application of GEOFFREY S. BERMAN, United States Attorney for the Southern District of New York, pursuant to Title 18, United States Code, Section 982 and Title 21, United States Code, Section 853, based on the Affidavit of Special Agent Kurt Hafer, United States Attorney's Office, Southern District of New York, executed on September 1, 2018, and upon a finding of probable cause, that the Target Properties, defined below, are subject to restraint and forfeiture pursuant to Title 18, United States Code, Section 982 and Title 21, United States Code, Section 853,

IT IS HEREBY ORDERED that MARK S. SCOTT, the defendant, and all attorneys, agents, and employees, and anyone acting on the behalf of SCOTT, and all persons or entities in active concert or participation with any of the above, and all persons or entities having actual knowledge of this Order, shall not take any action prohibited by this Order.

IT IS FURTHER ORDERED that MARK S. SCOTT, the defendant, and all attorneys, agents, and employees, and anyone acting on the behalf of SCOTT, and all persons or entities in active concert or participation with any of the above, and all persons or entities having actual knowledge of this Order, shall not, directly or indirectly, transfer, sell, assign, pledge, hypothecate, encumber, or dispose of in any manner; cause to be transferred, sold, assigned, pledged, hypothecated, encumbered, disposed of in any manner; or take, or cause to be taken, any action that would have the effect of depreciating, damaging, or in any way diminishing the

value of property or other interests belonging to, or owed to, or controlled in whole or in part by the defendant, which property or other interests are subject to forfeiture. The property and other interests hereby restrained include, but are not limited to, the following:

- a. Any and all assets of MSS International Consultants (BVI), Ltd., including but not limited to: (i) all monies and funds contained in DMS Bank and Trust Ltd account [REDACTED] 7102; (ii) all monies and funds contained in DMS Bank and Trust Ltd account [REDACTED] 7100; and (iii) all monies and funds contained in FirstCaribbean International Bank account [REDACTED] 2701;
 - b. Any and all assets of DRP Holdings, LTD, including but not limited to all monies and funds contained in FirstCaribbean International Bank account [REDACTED] 5454;
 - c. Any and all assets of MSS Marine Group, Ltd., including but not limited to all monies and funds contained in FirstCaribbean International Bank account [REDACTED] 5343;
 - d. Any and all assets of EDG Investment, LTD, including but not limited to all monies and funds contained in FirstCaribbean International Bank account [REDACTED] 3883;
 - e. Any and all assets of Mumbelli Group Holding (Cayman), LTD, including but not limited to all monies and funds contained in FirstCaribbean International Bank account [REDACTED] 5346;
 - f. Any and all assets of HFT Holding Limited, including but not limited to all monies and funds contained in RBC Dominion Securities Global LTD account [REDACTED] 8611; and
 - g. All monies and funds contained in Dreyfus Söhne & Cie AG account [REDACTED] 6901 held by MARK S. SCOTT, and all funds traceable thereto, including accrued interest (collectively, the "Target Properties");
- all of which are alleged to constitute funds and criminal proceeds property involved in violation of 18 U.S.C. § 1956(h) (conspiracy to commit money laundering).

IT IS FURTHER ORDERED that the United States Attorney's Office for the Southern District of New York, in its discretion, is authorized to direct the release of assets restrained herein;

IT IS FURTHER ORDERED Any person or entity claiming an interest in the assets listed in this Order may contact the following Assistant United States Attorney to clarify the scope of the Order: Special Assistant United States Attorney Julieta V. Lozano, Telephone Number (212) 335-4025. Those persons or entities will not be deemed in violation of this Order for any transactions undertaken upon approval made by Special Assistant United States Attorney Lozano.

IT IS FURTHER ORDERED that this Restraining Order shall be binding upon the defendant, the attorneys, agents, and employees, and all persons in active concert or participation with any of the above, or any other person having actual knowledge of this Order, and that this Order shall remain in effect until further order of this Court;

IT IS FURTHER ORDERED that this Restraining Order and all papers submitted therewith shall be maintained under seal until such time as the unsealing of the above-captioned criminal Indictment, except that the United States Attorney's Office or its designee(s) may provide copies of this Order to any person in order to facilitate the execution of this Restraining Order, including any relevant financial institutions and/or the defendant; and

IT IS FURTHER ORDERED that service of a copy of this Order shall be made on the defendant or his attorney(s) by regular mail.

Dated: New York, New York
September 4, 2018

SO ORDERED:



HONORABLE VERNON S. BRODERICK
UNITED STATES DISTRICT JUDGE, Part 1

EXHIBIT 8

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X	:	
UNITED STATES OF AMERICA	:	
- v. -	:	<u>POST-CONVICTION</u>
	:	<u>RESTRAINING ORDER</u>
MARK S. SCOTT,	:	17 Cr. 630 (ER)
Defendant.	:	
-----X	:	

Upon the Indictment, S10 17 Cr. 630 (ER), and the conviction of defendant MARK S. SCOTT (the “defendant”), and the application of AUDREY STRAUSS, Acting United States Attorney for the Southern District of New York, by Nicholas Folly, Assistant United States Attorney, of counsel, pursuant to the All Writs Act, 28 U.S.C. § 1651(a);

IT IS HEREBY ORDERED that:

The defendant and all attorneys, agents, employees, and anyone acting on his behalf, and all persons or entities, acting in concert or participation with any of the above, shall not take any action prohibited by this Order; and

IT IS HEREBY FURTHER ORDERED that the defendant, his attorneys, agents, employees, and anyone acting on their behalf, and all persons or entities acting in concert or participation with any of the above, and all persons and entities having actual knowledge of this order, shall not, directly or indirectly, transfer, sell, assign, pledge, hypothecate, encumber, or dispose of in any manner; cause to be transferred, sold assigned, pledged, hypothecated, encumbered, disposed of in any manner; or take, or cause to be taken, any action that would have the effect of depreciating, damaging, or in any way diminishing the value of the following property, except as approved by the Court and the Government:

all right, title and interest of MARK S. SCOTT, the defendant, in any and all property, or interests property, held in the name of, or for the benefit of, MARK S. SCOTT (collectively, the “Assets”).

IT IS HEREBY FURTHER ORDERED that:

The defendant shall not use or permit the Assets to be used for any illegal activity, or in any manner that would invalidate insurance on the Assets or diminish the value of the Assets, neither shall they cause any alteration to the Assets without the prior written consent of the United States Attorney’s Office.

IT IS HEREBY FURTHER ORDERED that this Restraining Order shall be binding upon the defendant, his attorneys, agents and employees, and all persons in active concert or participation with any of the above, or any other person having actual knowledge of this Order.

IT IS HEREBY FURTHER ORDERED that service of a copy of this Order shall be made forthwith on the defendant’s attorneys by electronic mail following the filing of this Restraining Order.

Dated: New York, New York
_____, 2020

SO ORDERED:

THE HONORABLE EDGARDO RAMOS
UNITED STATES DISTRICT JUDGE